Saturday Night

Canada's Magazine of Business and Contemporary Affairs

JUNE 21ST 1958 20 CENTS

Investor's Dilemma: Why The Market Rises While Business Slumps

BY GEORGE W. AUSTEN

Will Resurgent Tories Take Over In BC?

BY DILLON O'LEARY

Can Leadership Solve Troubled World's Ills?

BY MAXWELL COHEN

How The DBS Figures Can Make You Money

BY R. U. MAHAFFY

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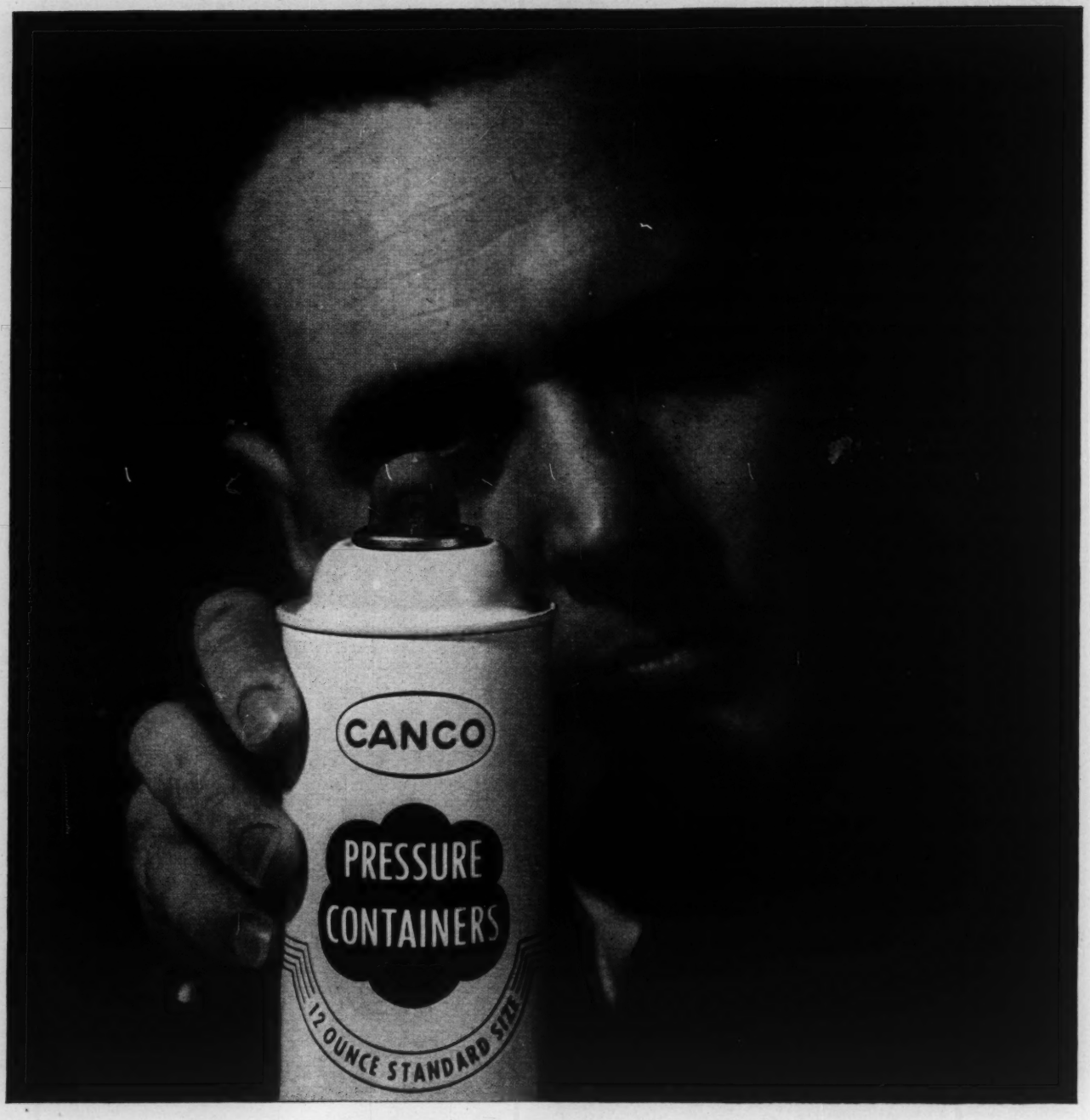
Labor Minister Starr: No Clear Line Ahead: Page 14



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MONTREAL TORONTO HAMILTON
CHATHAM WINNIPEG VANCOUVER

CANCO

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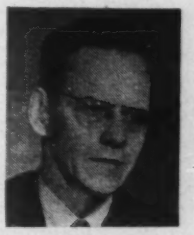

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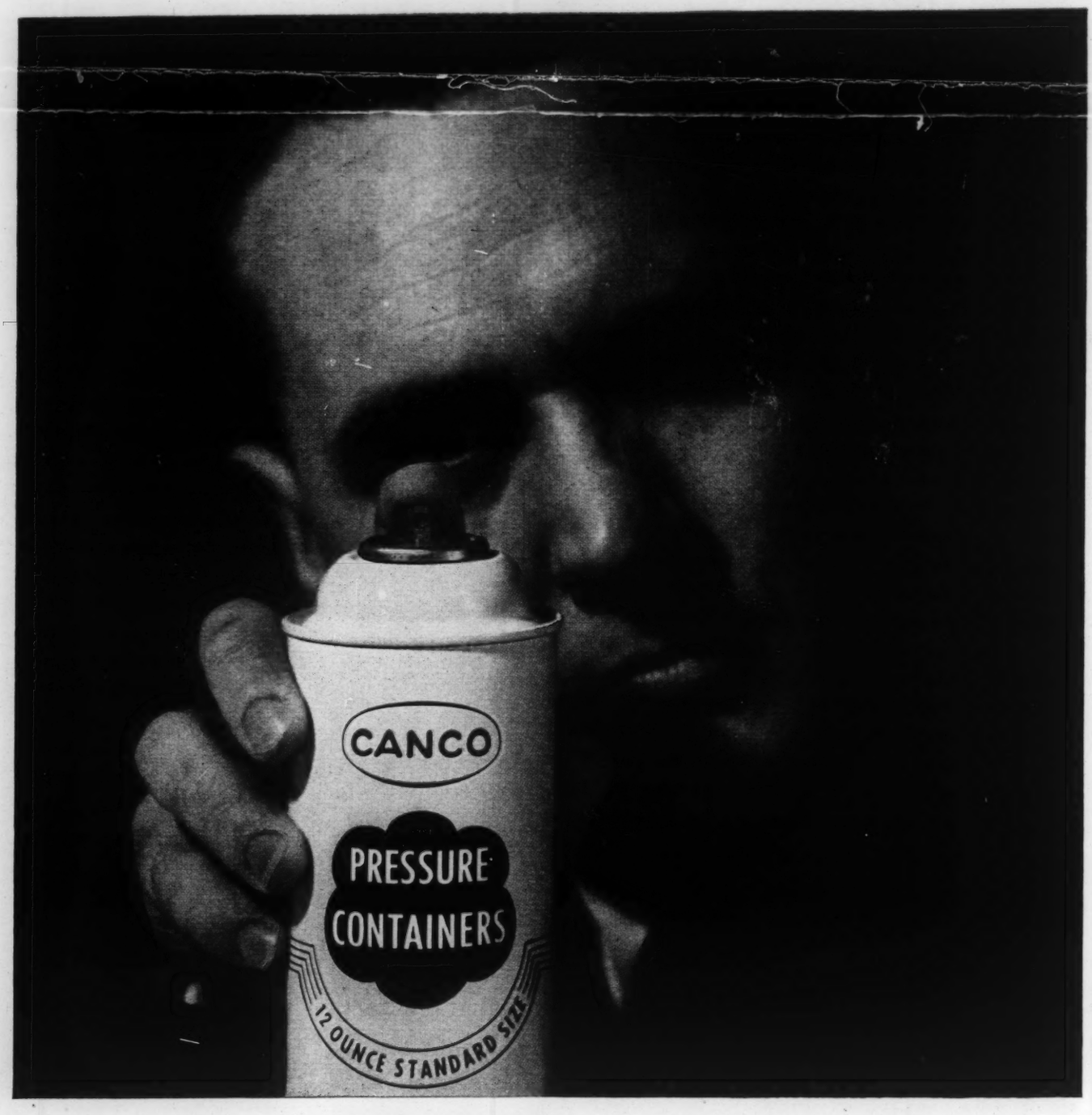

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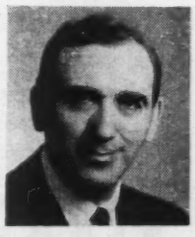

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Ottawa Letter

by John A. Stevenson

New Tories, Old Principles

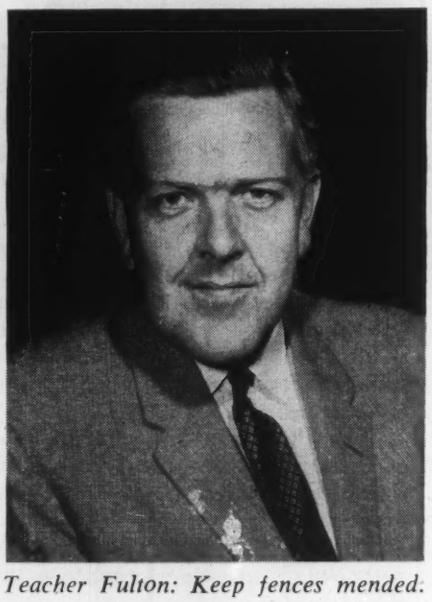
THE DEBATE on the Address, now happily curtailed to ten days under the new rules of procedure, has been wound up after the amendments of the opposition had been defeated by large majorities and Parliament is now tackling its heavy program of legislation. The debate was even more wearisome than usual, because the parties in opposition, still cowed by their calamitous reverses on March 31, were not in a militant mood. There was an abnormal number of maiden speeches, since naturally many of the 97 recruits which the election had sent to the House of Commons were yearning to demonstrate to their constituents that they had an effective spokesman in the high councils of the nation and a vigilant watchdog of their interests.

Most of the the new participants in the opening debate followed a common pattern in their speeches: they exuded warm eulogies of the intelligence and other virtues of the voters who had elected them and then proceeded to expound their grievances and problems and enlarge upon their urgent need for public works like post offices and harbors. On the Ministerial side, Howard Grafftey (Brome-Missisoqui) J. A. McGrath (St. John's E) and Frank McGee (York-Scarborough) gave evidence of considerable promise as parliamentarians, but they all fell short of impressing observers (as politicians like Arthur Meighen and Henri Bourassa did in their maiden speeches at Ottawa) with the idea that fresh stars of arresting brilliance had arisen in the political firmament!

It was left to J. C. Van Horne (P.C.—Restigouche-Madawaska) to give tongue to the only note of sour criticism from the governmental benches. He was the *enfant terrible* of his party, when he was in opposition, and he showed evidence of an intention to persevere in this role. He had harsh words for the delinquencies of the St. Laurent Ministry but he also voiced gloomy fears that his own leaders were culpably apathetic about the plight of a large number of his constituents. So dire was their poverty that but for the benefits of the social security system "many people in my riding would be close to insurrection". So he exhorted Ministers to bestir themselves and apply a variety of remedies for their succor such as higher scales of pensions and unemployment insurance and better barriers against dumped American potatoes.

The attendance of the Prime Minister in the House has been somewhat fitful and he has left its leadership largely to his deputy, Howard Green, whose habitual courtesy towards his opponents has earned him their goodwill.

Mr. Pearson will miss the debating powers of Mr. Lesage, who, now that he has been elected provincial leader of the Liberal party in Quebec, is expected to resign his seat. But he has secured some comfort for this loss from the excellent speeches delivered, mostly in English, in the debate on the Address by a group of his French-Canadian followers, who in earlier Parliaments had usually remained silent except when affairs directly affecting Quebec were up for discussion. The quality of their speeches has removed for him apprehensions that the 49 Liberals would be unable to sustain a prolonged debate against the Government.



Teacher Fulton: Keep fences mended.

Mr. Diefenbaker, concerned, as Mr. St. Laurent never was, for keeping his parliamentary army in a state of efficiency, has encouraged the continuance of an interesting experiment, which was started last session. John Hamilton (P.C.—West York) has resumed a series of courses for the political education of the large host of parliamentary novices in the Tory ranks, and they are being well attended. With the help of experts like Mr. Fulton, the Minister of Justice, they are being instructed in the rules of parliamentary procedure and they are also given enlightenment in the art of keeping their political fences mended. Mr. Hamilton is reported to have laid emphasis on the need for keeping careful track of such domestic events as birthdays, marriages and deaths in their ridings and sending the appropriate messages of congratulation and condolence.

But he would be more profitably employed if he would tell his pupils that bad parliamentary manners such as jeers and nagging interruptions lower the prestige of the House of Commons and that absenteeism from Ottawa for long weekends, to which the Tory members from Ontario and Quebec are already showing the same propensity as their Liberal predecessors did, involve a culpable neglect of their responsibilities. It was no credit to the House of Commons that only 67 of its members were present to welcome Dr. Theodor Heuss, the President of West Germany.

The Budget, which the Minister of Finance will produce before these lines are published, will be an acid test for the future courses of the Diefenbaker Ministry. It must reveal in reasonably lucid fashion its ideas and practical policies about finance, trade and tariffs. In an interesting volume of reminiscences styled "Some Memories", the late Lord Percy of Newcastle, who was a member of several British Tory Cabinets, expressed his firm conviction that there could be no intelligent radicalism working for desirable reforms in a country in which there was no intelligible conservative tradition.

The old Conservative party of Canada, which Macdonald, Borden, Meighen and Bennett led, had a definite set of principles and traditions and George Drew struggled manfully to maintain them. It was firmly protectionist in trade and tariffs; it was concerned with a careful stewardship of the nation's finances; it had a bias in favor of the interests of "big business"; and it set high store by the value of Canada's ties with Britain and the rest of the Commonwealth. But the party which wears the label Progressive Conservative under the leadership of Mr. Diefenbaker, has had a wide variety of elements who care nothing for the traditional principles of Canadian Conservatism grafted upon the original Tory tree and it is often the grafts on a fruit tree which determine the quality of its fruit.

Professor Frank Underhill in his presidential address to the section of the Royal Society of Canada concerned with the humanities and social sciences recently argued that the last two elections had not restored to Canada "anything like what could be called the two-party system in the classic sense of the words". His diagnosis was that they had merely reproduced the overwhelming domination of one party at Ottawa, which the late Mackenzie King had "engineered", and had installed in

power there "another governmental party calling itself Progressive-Conservative this time, still more overwhelmingly blanketing the centre and spreading out to right and left". In Dr. Underhill's view the outcome is an unhealthy situation in our political life.

The Government deserves high commendation for its decision to appoint a new standing committee on estimates and to arm it with powers which ought to make it a much more effective body than the select committee established "as an experiment" by the St. Laurent Ministry in 1955. Under the latter's plan the Cabinet decided which departments should have their estimates subjected to the scrutiny of the select committee and denied it authority to summon officials as witnesses except with consent of ministers or to call for the production of relevant documents. But the new committee will decide what departmental estimates will be chosen for investigation and will have a free rein to summon any witnesses who can contribute to its enlightenment. Since there will always be a Conservative majority on the committee, the Cabinet will be able to exercise a certain amount of restraint upon its activities, but it will have fields white for its harvesting and should be a valuable instrument for checking administrative extravagances and errors of judgment.

Equally commendable is the decision to conduct a special investigation of the mysteries of the extravagant cost of the Printing Bureau, whose transplantation a few years ago from the Ottawa across the river to Hull aroused the vitriolic wrath of the capital's redoubtable Mayoress, Charlotte Whitton. The spacious new Bureau which has been erected in Hull, will be a permanent monument to a former Liberal Minister of Public Works, now Mr. Justice Foumier of the Exchequer Court, and an eternal token of his gratitude to the voters of Hull for their fidelity to him in elections. But the original estimate of its cost—$10 million—has proved to be only half of the sum which has already been spent on it. Now there have emerged in its equipment serious defects whose cure will involve heavy additional outlays.

Dark rumours have long been rife that not a few citizens of Hull are now living at ease as the fruit of the munificent prices paid to them for properties purchased to provide a site for the Bureau or of lush contracts in connection with its construction and equipment. The Government now proposes to discover to what extent the Biblical prescription "Thou shalt not muzzle the ox that treadeth out the corn" was followed for the benefit of partisans of the Liberal party in the transplantation of the Bureau and, if even only half of the current rumors are true, there will be some anxious hearts in Hull, when the projected inquiry opens.

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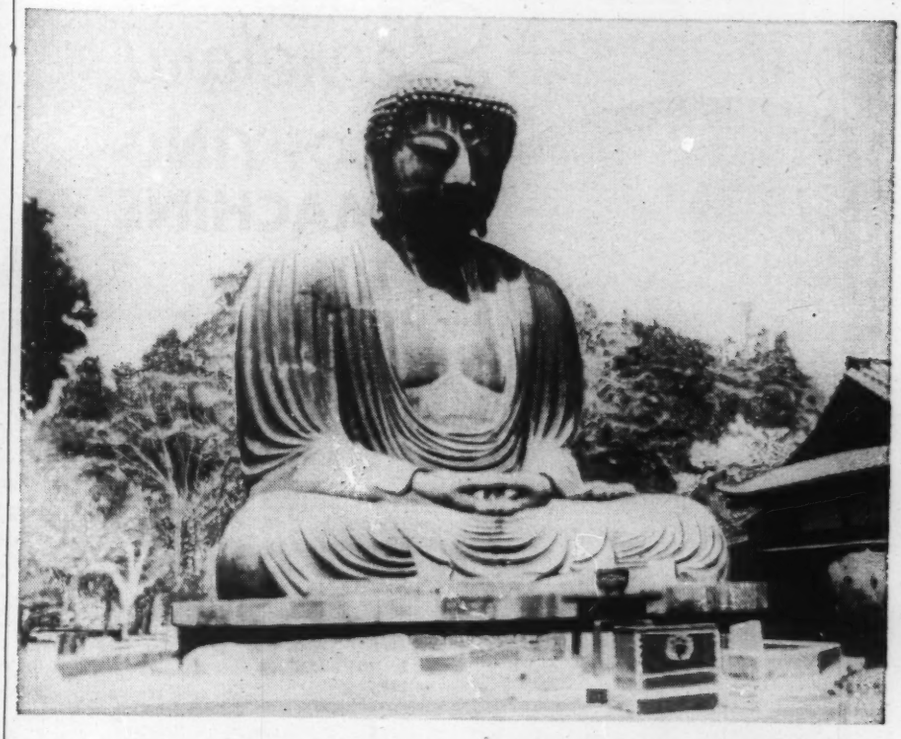

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Letters

Peyton Place

I have read "Peyton Place", it shocked me but I read it through. And now I find that I must agree with the penetrating remark of your book critic that "books do not sell in millions of copies if they have no merit of any kind". But I still think it is a book capable of causing harm.

REGINA — ELLEN MALONE

. . . I have long suspected you of playing footsie with the Devil. Now I know. What prompted you to spread before your readers a detailed digest of some of the most offensive obscenity ever to appear in print?

STRATFORD — MARY L. JOHNSTON

Did you ever notice the lascivious leer in the flabby faces of the young people of both sexes (but girls mostly) who read that paper book openly on the street cars? If that won't lead to trouble I don't know what will.

TORONTO — J. PERRON SOUTHEBY

. . . "Only the young and tender have feelings". Now we are making it easy for them to become old and tough.

OSHAWA — T. K. GRIMES

Small Town Stuff

Your reviewer, in discussing "Peyton Place", points out, "I have lived in small towns and could match all her scandals and outdo a few of them."

Well, I have lived in small towns too, but I have never lived in one town where all the horrors described by Mrs. Metalious occurred simultaneously.

Actually the leading scandals in most small towns occur when teen-agers are caught with one of Father's bottles at the high-school commencement dance or the leading soprano is let out of the Presbyterian choir. The rest are built up largely from hearsay and malice. The Metalious collection is so preposterous that nobody, including the censor, should be expected to take it seriously.

MONTREAL — GRACE MULLINS

Investment Clubs

I thought that you might like to know that SATURDAY NIGHT is regarded here as required reading among the many investment clubs which have sprung up in practically all departments of the Civil Service. *Gold & Dross* is accepted as the authentic guide to the purchase of securities. In addition your "How to Make Money" series provides valuable background for inexperienced investors. We liked the article on Mutual Funds in the last issue.

OTTAWA — RENE MORIN

Liquor and Food

. . . How true it is that the serving of decent drinks with food in some Canadian cities has improved the quality. Despite ourselves, almost, we may become civilized here some day. . .

WINNIPEG — ERIC W. BROWN

Believe it or not I now like my likker with my vittles. If this is the downward path it is a most pleasant one.

OTTAWA — J. G. PALANCE

Missile-Leading

According to James C. Floyd of Avro Aircraft Ltd., "an airborne missile mothership can be rapidly moved from one place to another carrying an anti-intercontinental ballistic missile missile for use against an incoming ICBM." This is fine; but what guarantee have we that the Russians, who are very smart at getting things into the air, wouldn't already have come up with an anti-intercontinental ballistic missile missile missile?

In other words, aren't we just missiling by the graveyard?

VANCOUVER — SHIRLEY MEYERS

The Kick Upstairs

Aren't you being a little unfair to Minister of External Affairs, Sidney Smith? After all, Dr. Smith had had no previous experience in the troubled waters of international politics. He was simply thrown off the end of the dock and told to swim. Give him a chance.

In any case it seems a little too early to kick Dr. Smith respectfully upstairs into a still-to-be-organized Department of Cultural Affairs. This could be interpreted as a slight both to Dr. Smith and to our still nebulous conception of cultural affairs.

OTTAWA — T. K. JONES

Selling the Goods

I read with interest James Fielden's article on the conflict between the "Buy British" and "Buy Canadian" campaigns and I found a lot of good, hard commonsense in it. If buyers in all markets stick to the sound, old-fashioned criteria of price and

quality it may be that the manufacturers in both countries will eventually see the light. Good value for money spent is still the best way to attract the money.

MONTREAL EMIL LAJEUNE

Pragmatic Consumer

It seems obvious that Mr. Diefenbaker, James Duncan, the Canadian Manufacturers Association, et al, have failed to take into account the woman shopper who does most of the buying in this country.

The woman buyer isn't primarily interested in trade balances, nationalism, Anglophilism, or anti-Americanism. If she can get two pairs of sheets and pillow cases for the price of one in Buffalo, she is going to buy in Buffalo, without worrying herself overmuch about the Canadian Manufacturers Association or the feelings of the Mother Country.

TORONTO MARY L. WELLS

Grand Illusion

You don't have to be a John Maynard Keynes to realize what is happening in our present recession cum inflation crisis.

In former periods of inflation, wage increases lagged behind the rise in prices. Now the wage increases have taken the lead and prices, in trying to keep pace, are taking up all the slack in the wage increase. As a result, the people on fixed incomes suffer while those who insist on wage increases fail to benefit. This unhappy condition will probably persist until the wage-earner recognizes that he is simply pocketing an illusion along with his fatter pay-envelope.

BARRIE WILLIAM THOMSON

Arab Refugees

If, as I think most of us in the West agree, the State of Israel is here to stay, there is one request we might make of it, in all reason. That is to stop throwing its weight about. I refer to the article by Rabbi Feinberg in your last issue. We honor these people as courageous fighters and staunch patriots but we cannot applaud their attitude of "or else". The plight of the unhappy Arab refugees is still on the conscience of mankind.

EDMONTON RUSSELL FRAME

. . . The care which the United Nations has extended to these tragic people is one of its brightest achievements. It ill befits anyone to put political aspirations above the souls and bodies of people. That was the Nazi view. . .

BRAMPTON H. JOHN WILKES

I am grateful for Rabbi Feinberg's clear views on the problem of the Arab refugees. It will add to understanding and sympathy; it is well to realize the cold evil of Nasser's propaganda.

TORONTO EPHRAIM GORDON

Who will look after Erika... where will she go?

This is Erika aged 4. She lives with her aged, broken grandmother. They have known only loneliness and despair. Her parents, driven from their native Estonia, met in a forced labor camp in Germany. Here Erika was born. Broken in health and spirit, her parents died in anguish for the safety of their beloved child. With little more hope than at the beginning, and in spite of utter misery, Erika and her grandmother fled into the Western Zone, driven by a fierce longing for home and roots. Home has been a DP barracks, cold, bare and damp. To them all is lost. There is no chance to emigrate. How long can her sick grandmother look after Erika . . . where will she go?

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I will pay $15. a month for one year ($180.00). Payments will be made quarterly ( ), yearly ( ), monthly ( ).
I enclose herewith my first payment $.....

B. I cannot "adopt" a child, but I would like to help a child by contributing $.....

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Address.....

City..... Prov.....

Date..... Contributions are deductible from Income Tax.

Ottawa Letter

by John A. Stevenson

New Tories, Old Principles

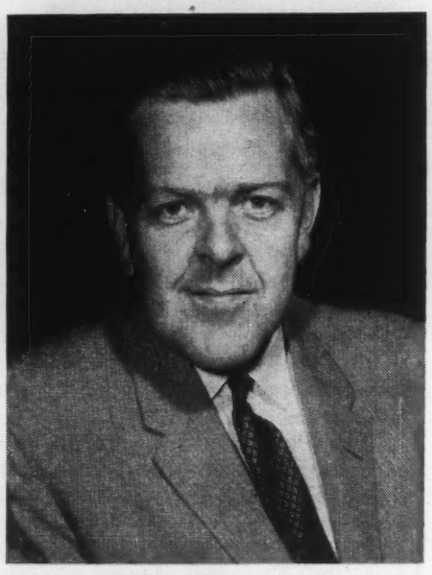
THE DEBATE on the Address, now happily curtailed to ten days under the new rules of procedure, has been wound up after the amendments of the opposition had been defeated by large majorities and Parliament is now tackling its heavy program of legislation. The debate was even more wearisome than usual, because the parties in opposition, still cowed by their calamitous reverses on March 31, were not in a militant mood. There was an abnormal number of maiden speeches, since naturally many of the 97 recruits which the election had sent to the House of Commons were yearning to demonstrate to their constituents that they had an effective spokesman in the high councils of the nation and a vigilant watchdog of their interests.

Most of the the new participants in the opening debate followed a common pattern in their speeches: they exuded warm eulogies of the intelligence and other virtues of the voters who had elected them and then proceeded to expound their grievances and problems and enlarge upon their urgent need for public works like post offices and harbors. On the Ministerial side, Howard Grafftey (Brome-Missisoqui) J. A. McGrath (St. John's E) and Frank McGee (York-Scarborough) gave evidence of considerable promise as parliamentarians, but they all fell short of impressing observers (as politicians like Arthur Meighen and Henri Bourassa did in their maiden speeches at Ottawa) with the idea that fresh stars of arresting brilliance had arisen in the political firmament!

It was left to J. C. Van Horne (P.C.—Restigouche-Madawaska) to give tongue to the only note of sour criticism from the governmental benches. He was the *enfant terrible* of his party, when he was in opposition, and he showed evidence of an intention to persevere in this role. He had harsh words for the delinquencies of the St. Laurent Ministry but he also voiced gloomy fears that his own leaders were culpably apathetic about the plight of a large number of his constituents. So dire was their poverty that but for the benefits of the social security system "many people in my riding would be close to insurrection". So he exhorted Ministers to bestir themselves and apply a variety of remedies for their succor such as higher scales of pensions and unemployment insurance and better barriers against dumped American potatoes.

The attendance of the Prime Minister in the House has been somewhat fitful and he has left its leadership largely to his deputy, Howard Green, whose habitual courtesy towards his opponents has earned him their goodwill.

Mr. Pearson will miss the debating powers of Mr. Lesage, who, now that he has been elected provincial leader of the Liberal party in Quebec, is expected to resign his seat. But he has secured some comfort for this loss from the excellent speeches delivered, mostly in English, in the debate on the Address by a group of his French-Canadian followers, who in earlier Parliaments had usually remained silent except when affairs directly affecting Quebec were up for discussion. The quality of their speeches has removed for him apprehensions that the 49 Liberals would be unable to sustain a prolonged debate against the Government.



Teacher Fulton: Keep fences mended.

Mr. Diefenbaker, concerned, as Mr. St. Laurent never was, for keeping his parliamentary army in a state of efficiency, has encouraged the continuance of an interesting experiment, which was started last session. John Hamilton (P.C.—West York) has resumed a series of courses for the political education of the large host of parliamentary novices in the Tory ranks, and they are being well attended. With the help of experts like Mr. Fulton, the Minister of Justice, they are being instructed in the rules of parliamentary procedure and they are also given enlightenment in the art of keeping their political fences mended. Mr. Hamilton is reported to have laid emphasis on the need for keeping careful track of such domestic events as birthdays, marriages and deaths in their ridings and sending the appropriate messages of congratulation and condolence.

But he would be more profitably employed if he would tell his pupils that bad parliamentary manners such as jeers and nagging interruptions lower the prestige of the House of Commons and that absenteeism from Ottawa for long weekends, to which the Tory members from Ontario and Quebec are already showing the same propensity as their Liberal predecessors did, involve a culpable neglect of their responsibilities. It was no credit to the House of Commons that only 67 of its members were present to welcome Dr. Theodor Heuss, the President of West Germany.

The Budget, which the Minister of Finance will produce before these lines are published, will be an acid test for the future courses of the Diefenbaker Ministry. It must reveal in reasonably lucid fashion its ideas and practical policies about finance, trade and tariffs. In an interesting volume of reminiscences styled "Some Memories", the late Lord Percy of Newcastle, who was a member of several British Tory Cabinets, expressed his firm conviction that there could be no intelligent radicalism working for desirable reforms in a country in which there was no intelligible conservative tradition.

The old Conservative party of Canada, which Macdonald, Borden, Meighen and Bennett led, had a definite set of principles and traditions and George Drew struggled manfully to maintain them. It was firmly protectionist in trade and tariffs; it was concerned with a careful stewardship of the nation's finances; it had a bias in favor of the interests of "big business"; and it set high store by the value of Canada's ties with Britain and the rest of the Commonwealth. But the party which wears the label Progressive Conservative under the leadership of Mr. Diefenbaker, has had a wide variety of elements who care nothing for the traditional principles of Canadian Conservatism grafted upon the original Tory tree and it is often the grafts on a fruit tree which determine the quality of its fruit.

Professor Frank Underhill in his presidential address to the section of the Royal Society of Canada concerned with the humanities and social sciences recently argued that the last two elections had not restored to Canada "anything like what could be called the two-party system in the classic sense of the words". His diagnosis was that they had merely reproduced the overwhelming domination of one party at Ottawa, which the late Mackenzie King had "engineered", and had installed in

power there "another governmental party calling itself Progressive-Conservative this time, still more overwhelmingly blanketing the centre and spreading out to right and left". In Dr. Underhill's view the outcome is an unhealthy situation in our political life.

The Government deserves high commendation for its decision to appoint a new standing committee on estimates and to arm it with powers which ought to make it a much more effective body than the select committee established "as an experiment" by the St. Laurent Ministry in 1955. Under the latter's plan the Cabinet decided which departments should have their estimates subjected to the scrutiny of the select committee and denied it authority to summon officials as witnesses except with consent of ministers or to call for the production of relevant documents. But the new committee will decide what departmental estimates will be chosen for investigation and will have a free rein to summon any witnesses who can contribute to its enlightenment. Since there will always be a Conservative majority on the committee, the Cabinet will be able to exercise a certain amount of restraint upon its activities, but it will have fields white for its harvesting and should be a valuable instrument for checking administrative extravagances and errors of judgment.

Equally commendable is the decision to conduct a special investigation of the mysteries of the extravagant cost of the Printing Bureau, whose transplantation a few years ago from the Ottawa across the river to Hull aroused the vitriolic wrath of the capital's redoubtable Mayoress, Charlotte Whitton. The spacious new Bureau which has been erected in Hull, will be a permanent monument to a former Liberal Minister of Public Works, now Mr. Justice Foumier of the Exchequer Court, and an eternal token of his gratitude to the voters of Hull for their fidelity to him in elections. But the original estimate of its cost—$10 million—has proved to be only half of the sum which has already been spent on it. Now there have emerged in its equipment serious defects whose cure will involve heavy additional outlays.

Dark rumours have long been rife that not a few citizens of Hull are now living at ease as the fruit of the munificent prices paid to them for properties purchased to provide a site for the Bureau or of lush contracts in connection with its construction and equipment. The Government now proposes to discover to what extent the Biblical prescription "Thou shalt not muzzle the ox that treadeth out the corn" was followed for the benefit of partisans of the Libertal party in the transplantation of the Bureau and, if even only half of the current rumors are true, there will be some anxious hearts in Hull, when the projected inquiry opens.

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Saturday Night

Confidence in future is coupled with a belief in more inflation and the effect of cheap money and Government deficits.

Why the Market Rises While Business Slumps

by George W. Austen

THE REMARKABLE strength of investment-type stocks this Spring, defying the worst first-quarter earnings reports in years, has confounded many of the experts. At least until recently, Wall Street was almost unanimously bearish — a short interest that ran up close to 4,500,000 shares was the result. On Canadian exchanges, there was steady liquidation, but not so much pessimism.

The extent of the recovery is shown by the Toronto group indices. From a 1958 low of 397.44, the TSE industrials have climbed to a recent 446, only about 50 points below the all-time high. Golds have gained from 70.83 to around 86. Base metals have made up about 10 points—in the face of distressingly bad economic conditions—and Western oils, also under severe handicaps, have rallied from 124.17 to around 138. These are modest gains, but against the tide of abnormally bad business, and sharp drops in earnings, they are still remarkable. Buying has apparently been better than selling.

On Wall Street, the same story has been told. The Dow-Jones industrial index has risen about 30 points from its 1958 low, the rails 15 points, and utilities 8 points from the previous level.

One has to look at first quarter earnings reports — the normal barometer of stock prices and trends — to realize the almost sensational character of the strength in leading stocks. In Wall Street, 550 leading corporations have shown a 35% average drop in net, or a drop

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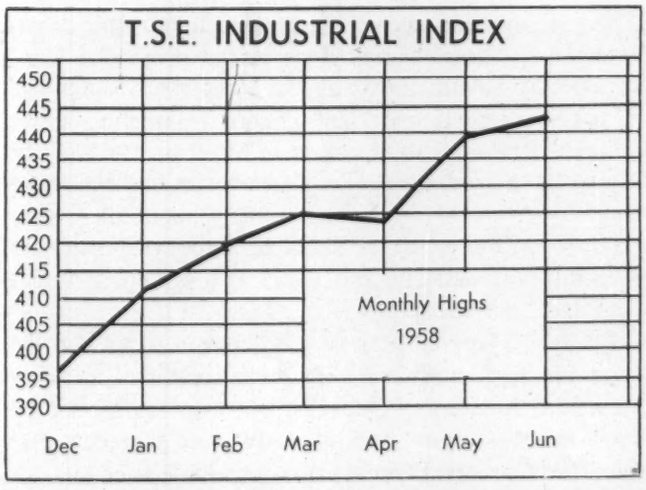

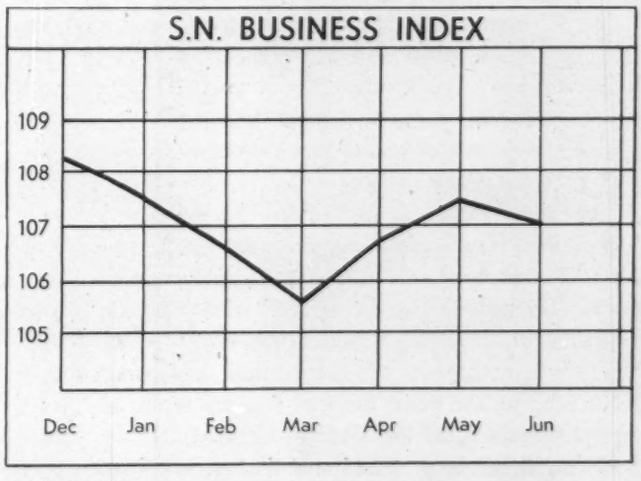

While business slumped in the first quarter the Toronto Stock Exchange industrial index climbed almost 30 points.

Three years ago BC Tories could have held a convention in a telephone booth. Since then, the picture has changed and their next convention may name a new premier.

Many BC Conservatives feel 39-year-old Deane Finlayson can lead them into office, will back him in September.

Will Resurgent Tories T

by Dillon O'Leary

ON THE EVE OF THE British Columbia Social Credit League's annual convention in Vancouver three years ago, a reporter drew to the attention of Premier W. A. C. Bennett that the Conservatives were, by coincidence, holding their annual provincial meeting in Vancouver the same weekend. Bennett, who had broken with the Conservative party to become Social Credit premier, quipped about his old comrades: "Where are they meeting? In a telephone booth?"

That was about the size of it. The BC Conservative Association was a small but not very exclusive club instead of a party, torn by factionalism. Provincial leader Deane Finlayson warred openly with national leader George Drew. Ottawa headquarters had broken off diplomatic recognition of the association, and conducted its politicking on the coast through a rump group set up for that purpose, called the Federal Council.

If, in those days, Finlayson had grown discouraged with the mess he inherited at the 1952 convention and chucked over the leadership, it is doubtful that a successor could have been found. If located, he would have been nobody who mattered.

The BC political picture has somersaulted since then. Six hundred delegates will flock into a provincial Conservative leadership convention in Vancouver September 11 to 13. From it will blare zealous trumpeting about victory in the next BC election in 1960 or 1961. Even though there has been no Tory member in the legislature since 1954, nobody will crack snidely about these predictions. On the contrary, Social Creditors and everyone else have been assessing the Tories as a provincial threat ever since the federal sweep of March 31.

For some Tory enthusiasts the question is not can the party win, but can it win with Finlayson? This is pretty premature counting of chickens, when up against a politician as astute (provincially) as W. A. C. Bennett. But since the Conservatives are now serious contenders for provincial office the answer may rest with Finlayson him-

self, a genial but bluntly spoken giant of 39 years; on how much he has learned since being chosen six years ago, a dedicated young man green as the BC landscape.

Soon after the federal election—in which Conservatives won 18 out of 22 BC seats and obliterated the Liberals and Social Credit—*The Vancouver Province* called editorially for Justice Minister Davie Fulton, who hails from Kamloops, to return from Ottawa and take over the provincial party, to plunge ahead from there and become the next premier.

The editorial produced results. One is that Fulton declines to be lured by such invitations. Another is the decision to call a leadership convention. A further result is that Finlayson found a lot of supporters: the issue is not whether Finlayson will be re-endorsed as leader but —with Fulton not contesting—whether anyone can be found who wants to, and could, give him a close race. His friends think he has mellowed and shows promise.

The only man strong enough to give Finlayson a run is Gowan Guest, 30, president of the BC Progressive Conservative Association who is said to have Fulton's backing.

Assessing provincial political trends on the basis of votes in a federal election is a practice with built-in pratfalls. Yet, on the Pacific Coast as on the prairies, there have been many marked similarities between the two votes.

There is another important factor in BC politics which, along with assessment of recent federal trends, helps fashion a useful political compass. That factor is the negative aspect of BC politics: provincial governments are not elected to put somebody into office, but rather to keep the CCF out of office. Since Coalition (of Conservatives and Liberals) formed a government with that idea in 1940, it has been the policy of influential men in business and the professions whose support is weighty in politics.

That preoccupation with corralling the free-enterprise vote behind one party won business support for the re-election of Social Credit in 1953 with a legislature majority; Social Credit had barely edged out the CCF in 1952 with a "second count" vote on the alternate ballot (since abolished). Led by a group of ex-Tories such as Bennett and Attorney-General Bonner, and ex-Liberals such as Einar Gunderson, B.C. Social Credit

CONTINUED ON PAGE 41

Liberal leader Arthur Laing is admired for his courage but few see victory for him.

Take Over in BC?

Finlayson once warred with national leader George Drew. Ottawa HQ severed relations.

W.A.C. Bennett was a general in BC elections, a corporal in national political wars.

Davie Fulton declined bid to lead BC Conservatives. Convention dates: Sept. 11-13.

Anyone can become addicted to a narcotic. Heroin is still readily available in Vancouver, Toronto and Montreal.

Our Losing Battle With Dope: Part I

by Gordon Donaldson

WHEN I MET HIM, Bill had been a dope addict for 29 years and had just "given up" his drug for the 18th time. Drugs had led him through most Canadian jails and every available method of treatment for his addiction.

"This time," he said, "I'll have to stay off for good. I'm due to be classed as a habitual criminal. I hope I can make it . . ."

I hope so, too. But the odds against recovery for Bill or any other Canadian addict are staggering.

For the fight against dope trafficking—which began in 1928, around the time Bill took his first injection—has not stopped the regular flow of "white death" drugs to Canada's addict colonies. Nor has any effective system of cure been provided for the addicts themselves.

Canada, with an estimated 5,000 addicts, ranks second in the Western world in its rate of addiction. The United States, with about 60,000 addicts, comes first. The two countries provide the richest markets for the world-wide illicit traffic in heroin, worst of all the addicting drugs.

This situation remains about the same from year to year. About 100 new addicts are created in Canada each year and a few old ones die off or disappear. There is no indication that dope-peddlers are canvassing for trade in our school yards. On the other hand, most new addicts seem to start in their late 'teens or early twenties.

Heroin is still readily available in the Skid Row areas of Vancouver, Toronto and Montreal. Young men and women continue to meet addicts, seek a new thrill in a shot in the arm and join the squalid parade of depravity and crime.

I have talked with the doctors, psychiatrists, police and government officials in these cities whose job it is to

First of two articles dealing with Canada's illicit drug traffic and the control and treatment of addicts.

grapple with the dope menace. And I found no one with a perfect answer to the problem and few who were even hopeful of a solution.

Bill, the watery-eyed elderly addict, explained why. Like most addicts he had spent years thinking and talking drugs and he knew as much about them as many doctors.

"For years," he said. "I've been treated as a criminal because I prefer heroin to rye or rum or cigarettes. I've had to steal to get money for the stuff. But that doesn't mean I like this kind of life. It's just that I like the drug —you wouldn't understand unless you were one of us.

"If I could get it legally I'd do an honest job of work. If I'd just had a 'fix' now I wouldn't be asleep and I wouldn't be robbing a bank. I'd be just as normal as you and maybe I'd feel better . . ."

Addicts are unreliable witnesses and Bill's ideas of normality were doubtless warped. But he underlihed the central, inescapable reason for the narcotics problem. There is some quality in opium and the opiate drugs that induces a craving stronger than social compulsions, ordinary morality or ordinary fears. Drugs, as one addict told me, provide contentment—a state of mind our civilisation conspicuously fails to induce.

The British encyclopedia of medical practice describes addiction as "a state of bondage to a masterful drug" characterised by tolerance (you need more and more) habituation and dependence.

Behind it there is usually some personality defect. But most experts now agree that *anybody* can become addicted to a narcotic; with heroin, it usually takes about three weeks.

The fact that many doctors fall victim to their own drugs (there are 211 known "professional" addicts in Canada, a large proportion of them physicians) supports this.

The narcotic drugs controlled according to United Nations agreements by a division of the Canadian Department of Health and Welfare are: opium and the drugs manufactured from it, heroin, morphine and codeine, cocaine, cannabis (marijuana), and a long and ever-lengthening list of synthetic morphine-like drugs including methidine and methadone.

Opium-smoking is an Oriental habit which has practically died out in Canada. Cocaine sniffing was a worry in the 1920s but is now non-existent. Morphine; methidine and methadone are used, but heroin, injected straight into the vein, is the principal drug of the Canadian underworld today.

It is the best medical pain-killer known and there were protests from Canadian doctors when legal imports were stopped in 1955. There are still some legal supplies left in pharmacies but it will soon be a memory in Canadian medical practice.

It is far from a memory to the RCMP who have the job of battling the dope-smugglers and traffickers. It arrives by long and circuitous routes, but it gets here just the same.

Opium is harvested from poppies in parts of the Middle and Far East. It is either processed on the spot or smuggled to Europe where it becomes morphine base and then heroin. International dope rings, murderously business-like gangs, organise the smuggling across the Atlantic with an eye to the dollar market.

They may use merchant seamen or ship and airline passengers as couriers. The smuggled heroin enters East-

CONTINUED ON PAGE 42

Our present methods of dealing with drug addiction seem to offer no prospect of ever ending the hellish cycle of debauchery, crime, imprisonment, torture and release.

Vancouver police estimate addicts steal $10 million in goods yearly to buy drugs. Nearly all women addicts are prostitutes.

Police are on the hunt for places like this where synthetic drugs are produced for the illicit market.

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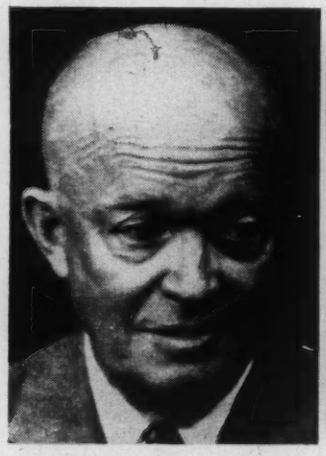
Leadership and Ideas On Trial

by Maxwell Cohen

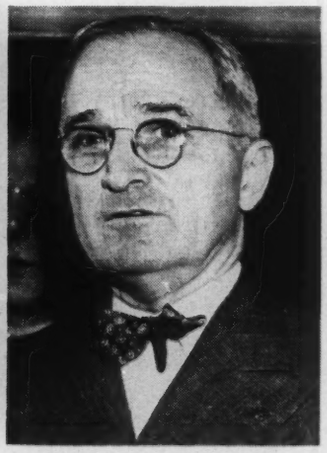
Recent upsurge in global difficulties has created a double crisis: in ideas and leadership. Mr. Nixon stirs riots in Venezuela.

THE RECENT UPSURGE in our global difficulties might be the theme of a ballad entitled "and the world came tumbling down". Algeria in revolt and France almost out of control; Nixon, whether as a person or a symbol evoking a violent response when his mission was good will: Lebanon challenged by the United Arab Republic through subversion to the edge of civil war; Indonesia fitful as she gropes for a system of politics to provide unity for a loose trans-aequeous society; Ceylon riven by sectarian bitterness; and, above it all, the cloud of chronic tension between Washington and Moscow casting its shadow on whatever summit is to be reached.

How is it that these differing widely separated experiences, that impinge on many western interests in particular and global stability in general, emerge together at this time? Is there a pattern into which we can fit the events of the past weeks so as to make them understandable rather than catch them on the fly, some way to rescue their meaning from the blur of too many matters happening in too many places?



Eisenhower never pretended to be strong on initiative.



Truman, a candid and often cantankerous ex-president.

There is a tendency in any view of affairs on our time doorstep to provide either a glib explanation related to specific persons or events, or to shrug a fatalistic shoulder and ascribe our tribulations to a destiny shaping our ends. But neither the superficial, off-hand diagnosis or a heavy determinism can satisfy minds reeling under the blows of unexpected troubles and searching for a way out. Moreover there is a responsibility to estimate the source and the course of events, to provide guides no matter how great the risk to one's standards of modesty and scholarship. The risk to be taken in this article is the suggestion that ours, for the moment, is a double crisis: a crisis of leadership and a crisis of concepts.

It is now almost a cliche to argue that the giants have departed. Roosevelt, Churchill, even Stalin, were men of size, of enormous personal force, with a sense of history and with deep insights into the dimensions of events in which they shared and which they partly controlled. On our side, the side of the non-Communist world, there exists today no single over-riding personality. The logical place for such a leader to have emerged was the United States, the greatest member of the western alliance, the ultimate bastion of the free world's safety. As the cold war matured, after 1946, and hardened our relations

Some leaders have given us vision at moments of crisis but our problems today are so great and complex they may well be beyond the influence of leaders and visions.

with the Soviets into a kind of political permafrost, Churchill was still an active figure and Harry Truman the most underestimated man of his generation.

From 1946 to 1955 Truman in Washington and Churchill in London—in office from 1950 until his retirement —between them took the hard decisions that refashioned the unity of the West and that provided new lines of communication with the uncommitted peoples. The Truman Doctrine and the Marshall Plan, the North Atlantic Treaty Organization, these were the triumphs at Washington, although NATO had British support which was significant if not the prime mover in that historic creation. Attlee's determination to leave the sub-continent of India and Burma under the most generous and dignified conditions laid the basis for the preservation of an essential friendliness to the West in that part of the world—however "neutral" might be their formal political positions since that day.

But by 1955 Churchill was gone from the scene. Truman was a wonderfully candid and often cantankerous ex-president, taking his walks and speaking his piece. Stalin was dead. And there remains today on the world stage for the great decisions ahead Eisenhower, the hero and father image, Nehru, a great but strangely elusive leader, Krushchev emerging to power amid a "bloodless" ritual of the Politburo polka, and Adenauer, an unexpectedly powerful personality in his own right now leading the most successful economic entity in Western Europe and shepherding the re-birth of a chastened Germany; and, behind the Great Wall—Moa— about whom we still know too little.

But the center of decision-making was Washington. If patterns of policy for the West were to emerge they had to come from the White House. If a unifying spirit was to embrace western peoples it would have to find its source on the edge of the Potomac. If ideas were to attract the brown, the yellow, the black peoples now increasingly conscious of their place in the global sun, these would have to be spread before them with conviction by the one power that could impress them and had the physical resources to do so: the United States.

There is nothing original in the thought that in the organization of men in groups called states, "power" is one of the greatest of all factors that determine the nature and the well-being of those entities. The receding authority of the "white" states traditionally in the ascendency in the Afro-Asian world could have led to a number of possible results. The newly independent nations might find their own ideological and political roads, living atomized politically except in so far as they developed varying degrees of working relations with each other as

CONTINUED ON PAGE 42

Parisians protest soft policy towards Algerian rebels and General de Gaulle comes to power amid threat of civil war.

The giants have departed, men of personal force with a sense of history and an insight into the events they helped shape.

More riots. Lebanon provoked to verge of civil war. Ceylon: riven by bitterness. Indonesia: fitful as she seeks unity.

Labor Minister Starr:

Service at the Cleaner's Shop

by Fraser Kelly

Saturday mornings in Oshawa Mike Starr meets the voters in his wife's cleaners shop, dispenses commonsense and encouragement with laundry.

A TENSE, SHIRT SLEEVED man spent Tuesday evening May 13, in his Parliament Hill office anxiously talking on the telephone. Two other shirt sleeved men, equally anxious, were doing the same thing in their offices in Montreal.

The man in Ottawa was Mike Starr, former printer's devil, now Labor Minister of Canada. Norris R. Crump, president of the Canadian Pacific Railway, and Jack Graham, chairman of the striking Brotherhood of Locomotive Firemen and Enginemen, were the other men.

As conciliator in the 3000-man rail strike, Mr. Starr made 17 long distance calls to the two men that evening. Each call brought the nation's million dollar strike closer to a halt.

"I'd talk to one then the other", said Mr. Starr," finding out where they agreed and disagreed. At 12:10 I got a call from Crump's office where he and Graham had signed the agreement. It was all over."

Thus ended the second major rail strike Canadians have faced within the last 16 months. In a matter of hours the 17,000-mile CPR service was on its way back to normal. The union had accepted the principle that all freight and yard diesel firemen would eventually be let go by the railway.

To some this strike had represented the first in a series of battles which will inevitably arise between the unions and management as automation increases. Mr. Starr disagrees. "Both sides are mature and fully realize that they must be willing to search for a solution. Although the

After a week of 14-hour days in Ottawa as Labor Minister, Mr. Starr heads home for the week-end to cope with his obligations to the constituents.

Starr was most sought-after campaign speaker, next to Diefenbaker, once made 35 speeches in 14 days.

He won largest majority ever in his riding, told home-folks, "I'm still Mike Starr to all of you".

firemen's dispute was tough and neither side minced any words, there was no animosity. It's a mistake to assume that labor unions are fighting automation. What they are after is displacement with the minimum amount of dislocation."

The fireman dispute is only one aspect of the troubled Canadian labor scene which has plagued Mr. Starr since his appointment as Labor Minister on June 21, 1957. Crucial contract negotiations are being carried on in the automobile industry: a salary dispute between the CPR and the unions threatens the country: British Columbia Centennial Festivities are being marred by shipping and forest labor disputes.

Looming over the whole scene are the dark clouds of unemployment, worse this year than at any time since the thirties.

Heavy-set Michael Starr, the first Canadian of Ukrainian descent to become a Canadian Minister of the Crown is sitting on a political hotseat. Until his name started appearing in the nation's newspapers a few months ago, few Canadians had heard of him.

Born in Copper Cliff in Northern Ontario in 1910, Michael Starchewski was the oldest of six children. His father Mathew Starchewski, an immigrant smelter worker, moved the whole family to Oshawa when Mike was very young. He left school at 15 to help his father support his family.

It didn't take him long working 54 hours a week for $5.00 as a printer's apprentice to realize he needed more education. After a brief stint making picture frames for 16 cents an hour he went back to school for a one-year commercial course. His record of 89 per cent in 13 subjects is still remembered at the school.

He was hired by a company manufacturing and selling sheet metal products and rose to manager of a section of the sales division covering the whole of Canada.

Feeling the urge to try his hand at politics and community work, Starr entered the aldermanic race in Oshawa in 1940. He lost. Twice more he was defeated before he was finally elected in 1944.

In 1949 he was elected mayor of Oshawa and held the office for four years.

He represented the Progressive Conservatives of Ontario Riding (Oshawa and district) in the provincial elections of 1951 and was defeated. But he bounced back with characteristic resilience and in a 1952 by-election he was elected to the Federal House of Commons. Slightly less than a year ago he was appointed Labor Minister in the Diefenbaker cabinet.

In the last election campaign, Starr — with the excep-

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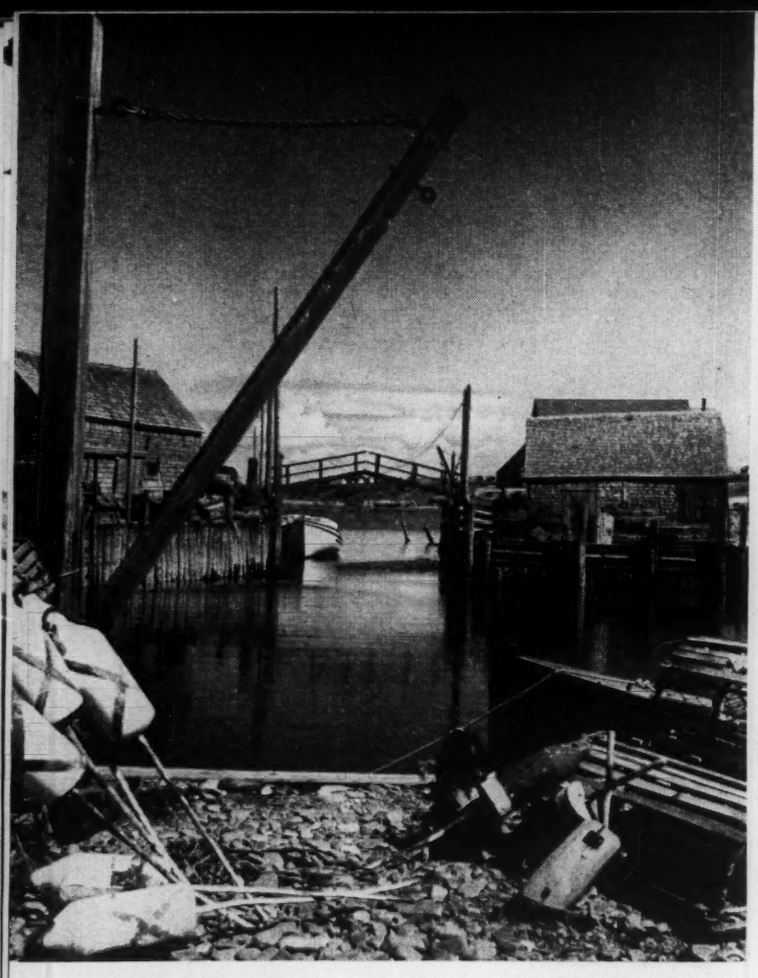
With wife and daughter en route to Europe. A son is studying dentistry.

Travel



Typical of the peace and quiet of the Maritime Provinces is the fishing village of Sanford, NS, with a sheltered harbor.

New Brunswick boasts the world's longest covered bridge, at Hartland. It is 1,282 feet long and is a motorist's delight.

Atlantic Provinces Vacation

by Maurice LeBlanc

PART OF THE PLEASURE of vacationing in Canada's Atlantic provinces is the delightful change of scene experienced as soon as you begin to travel their smooth highways. The whole region is quieter than most parts of this bustling continent, and seems to share an air of mellowness and relaxation. Add to this lovely seaside scenery a mild climate and a historic background as ancient as America's discovery.

Almost everywhere you go in New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland, you find seacoasts with miles of sandy beaches and craggy surf-splashed cliffs, which seem to have been designed for swimming, sunning, sketching and other relaxation.

The whole region is governed by that dependable thermostat, the Atlantic Ocean and the climate is always pleasantly cool in summer. The paths of history criss-cross your route everywhere you go.

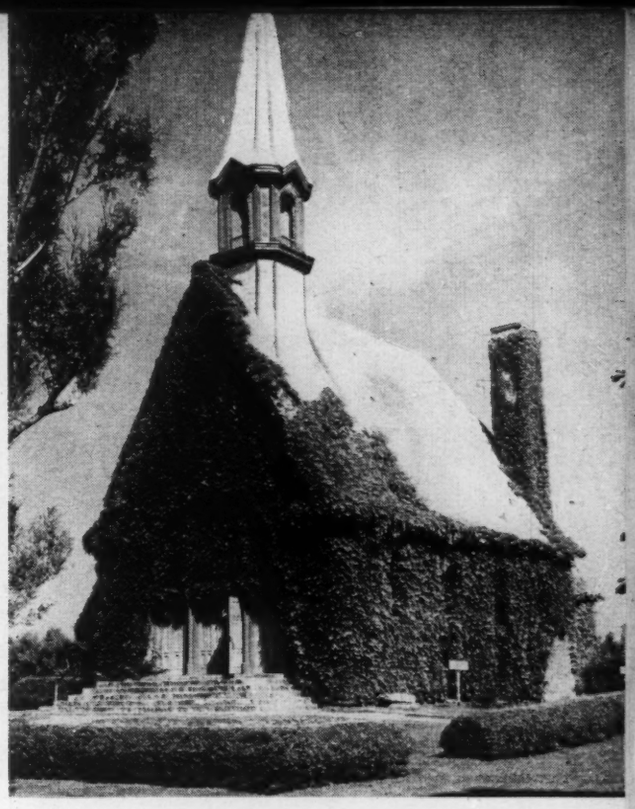
New Brunswick was first discovered and settled by the French early in the seventeenth century, and for a

CONTINUED ON PAGE 39

The museum building and part of the fortifications at Aulac, NB, site of the Fort Beausejour National and Historic Park.

Restful Atlantic vista. The village of Alma, New Brunswick, seen from a stretch of Highway 14, in Fundy National Park.

Newfoundland offers the visitor a rugged charm and warm welcome. The outports are the home of sturdy people. Here is Pouch Cove.



Evangeline's Church, now a museum, in Memorial Park, Grand Pré, NS, home of many legends.

Cradle of Canadian history. The Confederation Room, in the Provincial Building, Charlottetown, capital of PEI.

Fortifications of the Citadel still dominate Halifax. Part of the view across the magnificent harbor toward Dartmouth.

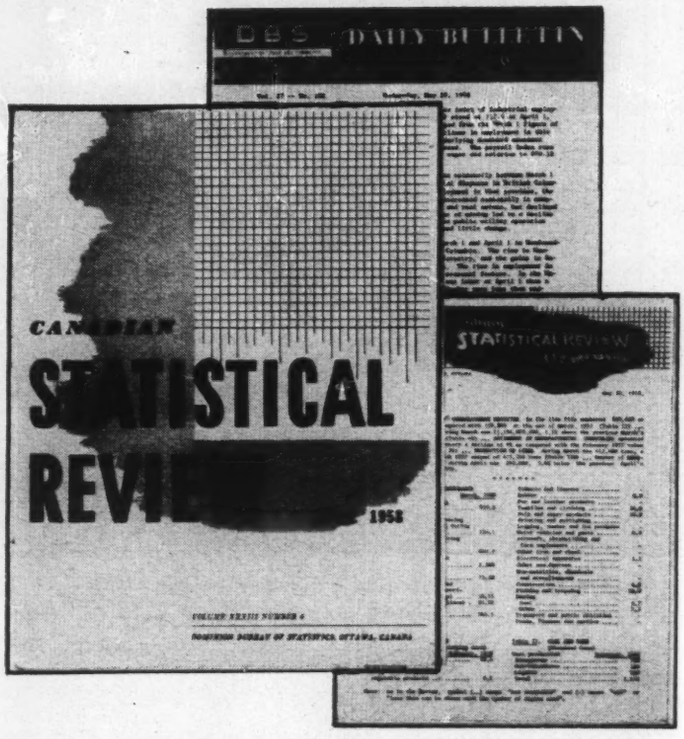
Visitors at Signal Hill, St. John's, Newfoundland, may mingle early history with memories of wartime patrols.

Cape Breton Highlands National Park, in Nova Scotia, offers the motorist some of the world's finest scenery.

D. B. S.

How to Use Its Figures To Make Money

by R. U. Mahaffy



It would take a book to list all DBS publications and their supplements. Here are some typical ones.

Canadian business is more and more relying on the statistical approach to explore markets and control operations. This means the way to increased profits.

CANADA'S DOMINION BUREAU OF STATISTICS daily pours out a flood of data on just about every segment of economic life. To a relative few, the DBS services are well known and their value clearly understood. To many, however, the list sounds like a refrain from Lewis Carroll's "Alice in Wonderland". What earthly use, Ottawa newswriters often ask, is this strange assortment of figures that pours out daily from the Dominion Bureau of Statistics giant building at Tunney's Pasture?

The answer is found in the volume of inquiries, about 1,000 a month at the peak, received by the bureau's Information Division from all over Canada, the U.S. and the UK, from advertising agencies, research departments of big corporations, and public utilities. A perplexed shoemaker once wrote: "Send me statis. How to make what I pay and what I get balance."

Typical inquiries include one from an advertising agency asking for the numbers of washing machines and dryers imported into Canada in the last three years; imports in tons of piano felt and piano hammer felt; the number of water softeners sold in Canada; the "purchasing power" for particular regions. Another advertising agency wanted to know how much bird seed was sold in different areas throughout the country.

Some of these queries stump the bureau. Although reports are put out covering 4,000 to 5,000 different items, the DBS does not claim to be infallible. Marketing experts know that Dominion Bureau of Statistics figures often have to be supplemented by internal data from a company's own sales or accounting department, and from inquiries in the field.

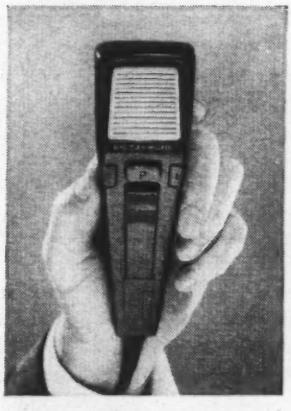
Until recent years government statistics were largely neglected by small and medium-sized businesses, and there are probably a number even today who have not adopted statistical techniques as a guide to market penetration, degree of saturation, whether they are getting their share of the market. If so, such a business is overlooking a sure road to better profits.

Take the case of a Toronto outfit which embarked in the terrazzo chip business a few years back. They sunk about $10,000 in a Bancroft area plant, opened up a half a dozen quarries, and took orders for about 40 carloads—even before the mill was ready to go into production. A check with the DBS disclosed all of Canada could not absorb what this mill could turn out in a year.

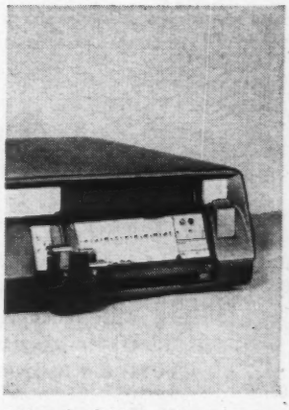
A questionnaire directed to the companies in the ter-

Now effortless dictation with the automatic dictating machine: the all-new, all-transistor Dictaphone Time-Master

To operate you have only to pick up the mike and start talking. You don't even have to wait for a warm-up—the new TIME-MASTER is completely *transistor*-built. It's worth its weight in dollar bills.

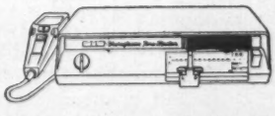


All controls—start-stop, correction, playback, length-of-letter—are right on the microphone handle. And they're all touchbuttons! You seldom have to touch the machine. The time you save more than pays its cost.



Mistake? Touchbuttons on mike mark the spot right here on this pad. There's *no* correction log to fill out—your secretary can spot the corrections with one quick glance. You *both* get more done in less time.

The Dictabelt record makes all recording *visible*, is *non-erasable*, and gives *unmistakable* fidelity. This record and the new TIME-MASTER add up to the smartest investment you ever made.

THE NEW **DICTAPHONE**  **TIME-MASTER**

MORE THAN A DICTATING MACHINE—A MONEY-SAVING INVESTMENT

Dictaphone Corporation Limited, 204 Eglinton Ave. East, Toronto 12, Ont., service you can depend on the world around. In U.S.A., write Dictaphone Corporation, 420 Lexington Ave., N.Y. 17, N.Y...in England, Dictaphone Co. Ltd., 17-19 Stratford Place, London W. 1. Dictaphone, Time-Master and Dictabelt are registered trade-marks of Dictaphone Corp.

what will SYNTHETIC RUBBER achieve next

High on the list of new materials and new processes which are changing the shape of the world is synthetic rubber.

For instance: Synthetic rubber has made possible the development of collapsible tanks for cargo vessels to enable both liquid and solid cargos to be carried in the same vessel. Other collapsible containers, made of synthetic rubber can be used to transport free-flowing materials by truck, train or plane.

Or again, for instance: There's a new upholstery material which contains its own feather-soft cushioning. Synthetic rubber foam sponge is permanently bonded to a colourful vinyl and cotton covering. Result—a comfortable, long-wearing and economical upholstery.

The shape of things present and of things to come is increasingly affected by the new product values which varied forms of synthetic rubber make possible. And one of the world's major factors in the development and manufacture of these rubbers is the Polymer Corporation, whose *Polysar rubbers are known and used in every country in the free world.

POLYMER CORPORATION LIMITED
POLYSAR
*Registered trade mark
SARNIA CANADA
Synthetic Rubber

Developed and Produced by

POLYMER CORPORATION LIMITED
SARNIA • CANADA

razzo flooring business, listed in the bureau's publication, uncovered the fact that the Bancroft operation had a higher production cost per ton than buyers were paying for the product. If a market survey had been made before all that money had been sunk in the venture and orders taken, it might not have folded up.

That is an extreme case. Most small businessmen have a pretty good idea of costs and profit possibilities. What they often don't know is that the bureau's statistics are organized along definite patterns, with quarterly and monthly reports to bring the figures up to date.

It would take a book to list all the DBS annual publications and their periodic supplements. But a few illustrations may help.

The annual census of industry, covering forestry, mining, fisheries and manufacturing, has been issued since 1917. There is a separate report for about 130 of the most important of the individual industries in the 17 major manufacturing groups.

By use of these figures a firm can evaluate its position and importance in the industry through correlation of its own statistics with those of the whole industry. DBS data can help your company determine whether its operating costs are above or below the average; whether or not, in an expanding market, it is obtaining its fair share of the increasing business.

In the report on the sheet metal products industry, to cite one instance, costs of power, fuel, labor, and raw materials are set forth for each section of the country. In 1955 cost of materials per plant averaged $30,310 in Nova Scotia, $383,645 in Quebec, and $433,657 in Ontario. But NS plants averaged only about 12 employees per plant against 57 in Quebec and 59 in Ontario.

Every manufacturer needs to know the relative position of his firm in the industry and his share of the market. He wants to know if the growth in the market has been achieved at the expense of competitors, with other companies taking their business, or whether there is reasonable ground for believing the expansion will continue.

Break-downs by regions can give the sales manager a clue to trouble spots before they have become lost markets. If in salesman A's territory there was a 15 per cent increase generally in biscuit sales, and if salesman A's increase was only five per cent, the sales manager might conclude his firm was not getting its fair share of the increased business. This might call for an additional salesman or a sharp talking-to to salesman A.

The decennial census of distribution and the annual and monthly sales figures which are a part of it attempt to do for distribution what the census of industry does for production. Manufacturers use estimates of sales for refrigerators or washing machines, for example, to assess the changing market for their product.

There is also an annual survey of household facilities, made in conjunction with the labor force survey, which can tell the saturation point for refrigerators, stoves, etc. — the percentage of families having these conveniences — for particular parts of the country.

For retailers the DBS puts out "balance sheets of business" which show sales, inventory, gross margin, operating expenses and net profit, assets, liabilities and net worth for food stores, hardware, furniture, appliance and radio stores, and filling stations and garages. This series is called "Operating Results and Financial Structure of Independent Retail Stores". Another series covers "Operating Results of Retail Chain Stores".

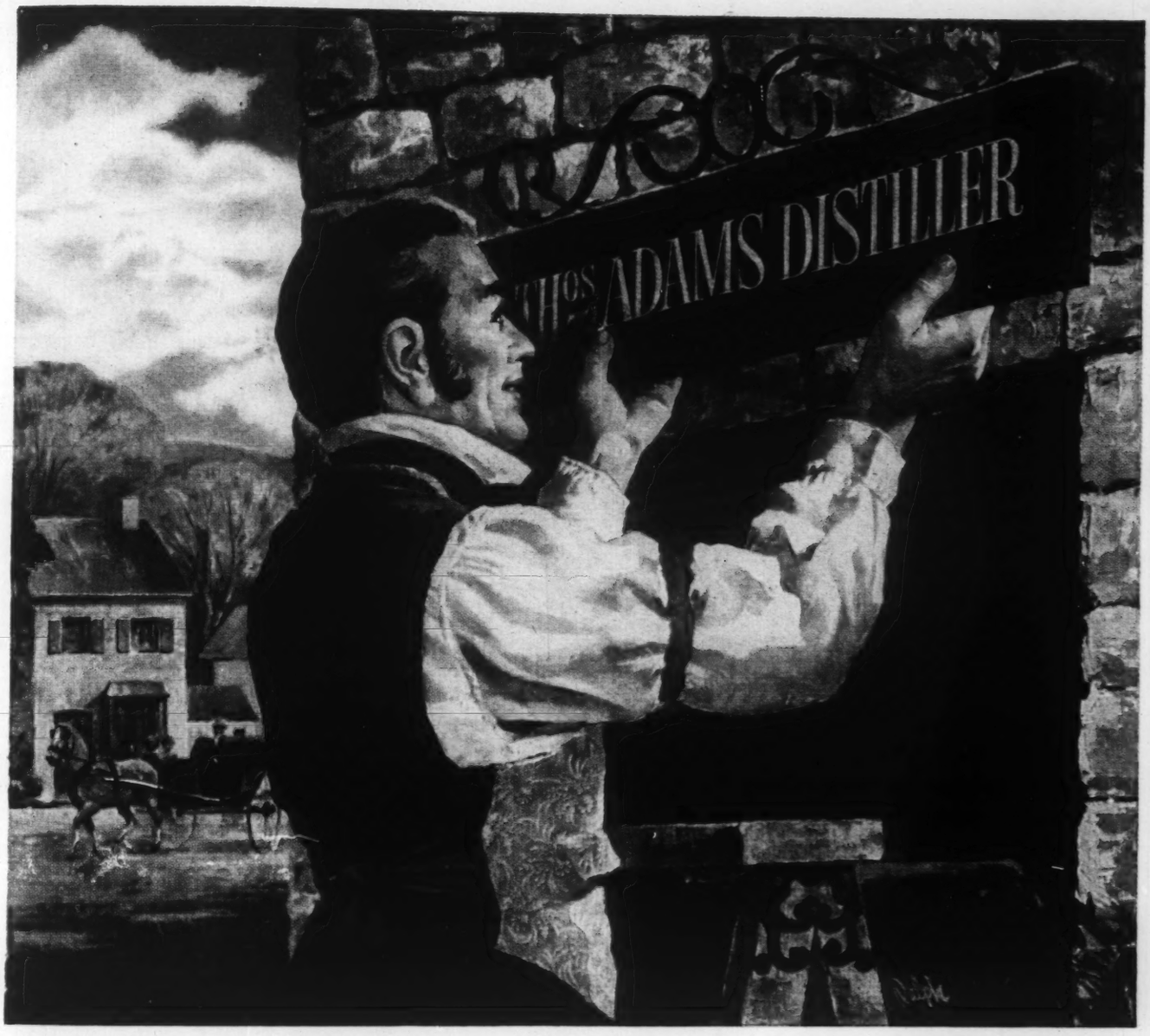
From these reports merchants can calculate ratios for turnover, working capital, sales as a percentage of gross profit and other factors which they can measure against their own business.

This only skims the surface of application of DBS figures. Comprehensive statistics are also produced on the agricultural industry. Estimates of grain production provide helpful data for firms making not only binder twine and farm machinery, but fencing, hardware, and clothing. A knowledge of the quantities of apples held in cold storage will tell companies operating apple cold storage warehouses when the market appears to be glutted.

Statistics of imports and exports are of vital importance to all manufacturers engaged directly in exporting goods or making goods that have to compete with goods imported from abroad. The bureau supplies both monthly commodity statistics and quarterly statistics by countries. To illustrate further, a manufacturer may plan to increase his line of export goods; the detailed export figures will show him whether such goods are now being sold abroad by other Canadian firms and the markets they go to.

Then the quarterly estimates of gross national production afford the best base for making projections of business activity. By bringing these estimates up to date with weekly and monthly series on such things as retail sales — which show consumer expenditures — statisticians can get a pretty fair idea of the trend of the economy. This probably requires a little more sophistication in the handling of statistics than other data — you have to take indices of employment for services, construction, and forestry since these are not included in the monthly industrial production index — but it can be worked out with reasonable accuracy.

A little know-how can reduce the seeming "cabbages and kings" chaos of DBS statistics to an integrated set of figures which may well mean greater profits.



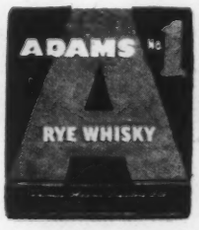
. . . and thereby grew a tradition

When United Empire Loyalist Thomas Adams opened his distillery in Niagara, his concern was to make the finest product within his knowledge and ability. Today, the products of Thomas Adams Distillers Limited continue to reflect this philosophy.

Adams Antique—a Collector's Item—and each of the truly superb Adams brands is the finest Canadian rye whisky in its class. You have an adventure in good taste awaiting you. Start serving—and enjoying—Adams Whisky and Adams Gin soon.

A Collector's Item

SILVER FIZZ GIN



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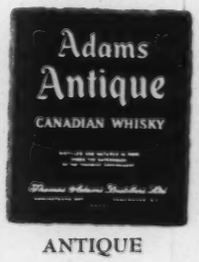
OLD RYE

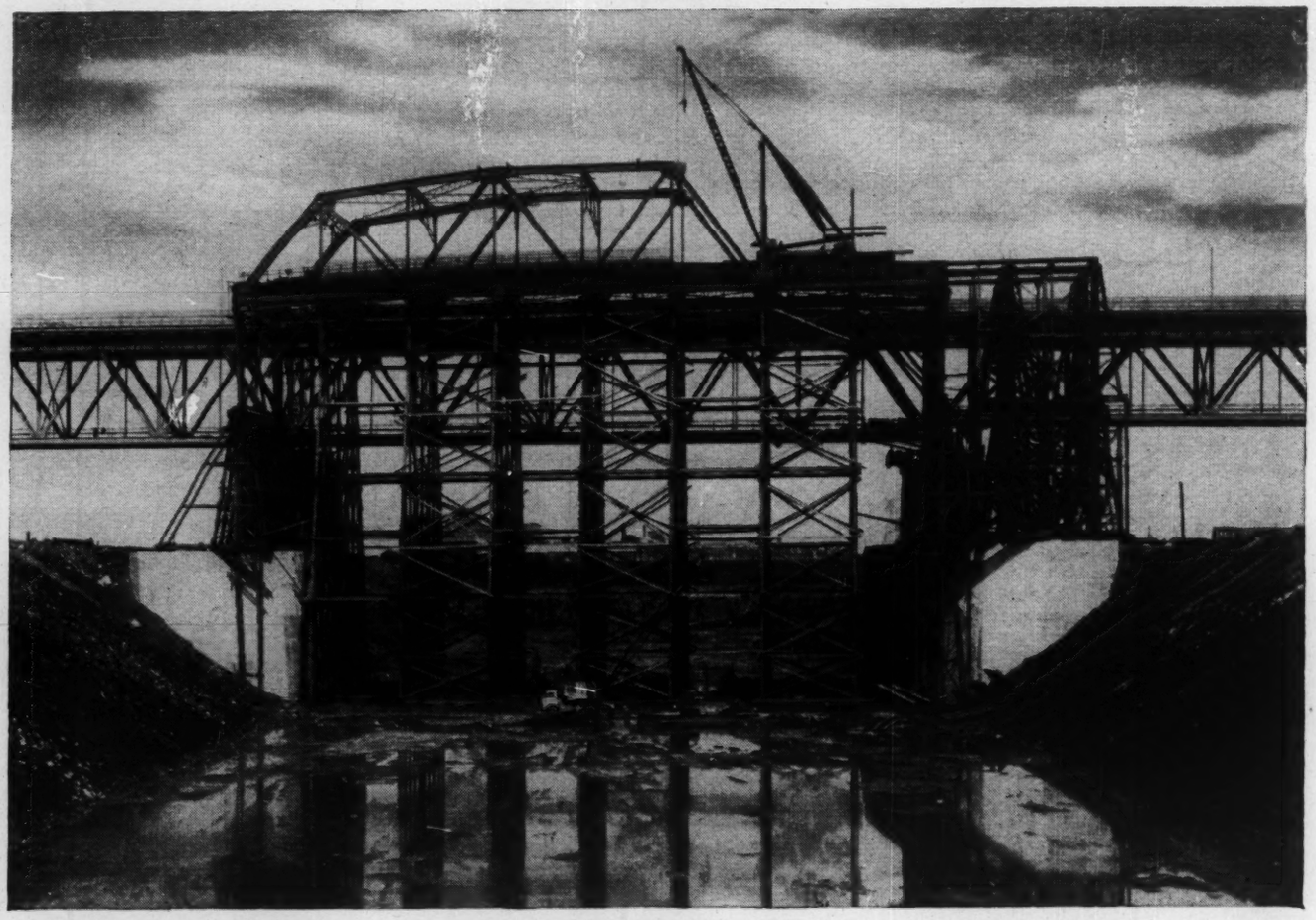
PRIVATE STOCK

EXPORT

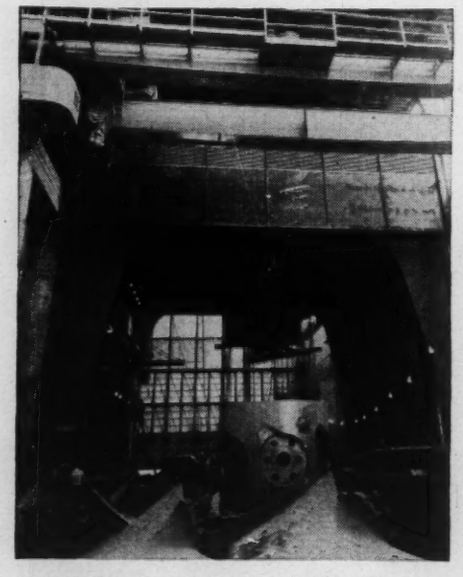


ANTIQUE

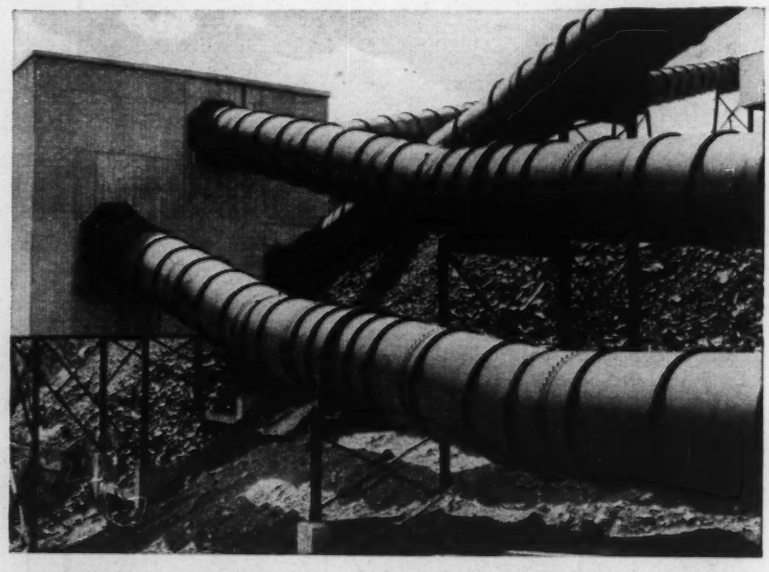
On the Job from



UNIQUE SEAWAY PROJECT is the permanent raising of the southern end of Jacques Cartier Bridge, Montreal, and the replacement of one span without interrupting vehicular traffic. This will provide a minimum clearance of 120 feet for shipping in the seaway canal.

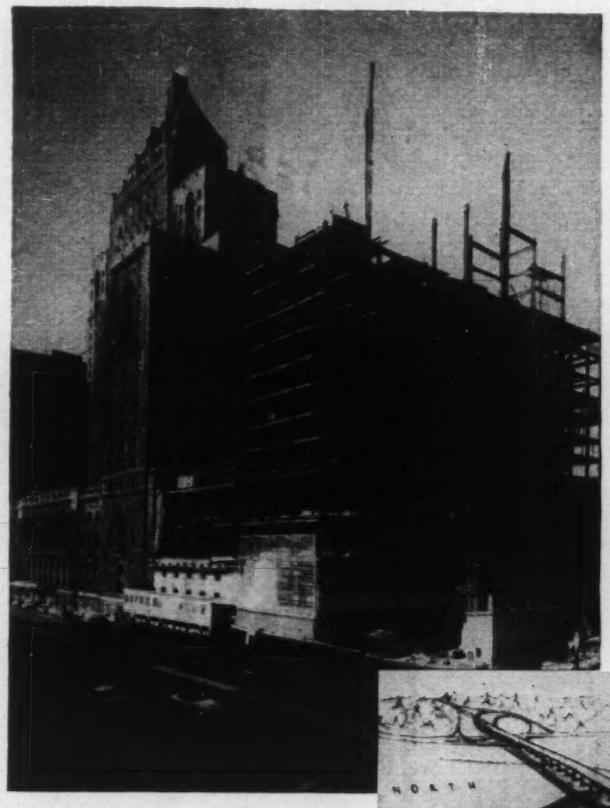


MODERN TREND IN CRANES. This completely enclosed 300-ton gantry crane—the largest ever built in Canada—was designed and fabricated by Dominion Bridge for the Canadian half of the St. Lawrence Power Project. Photo courtesy Ontario Hydro



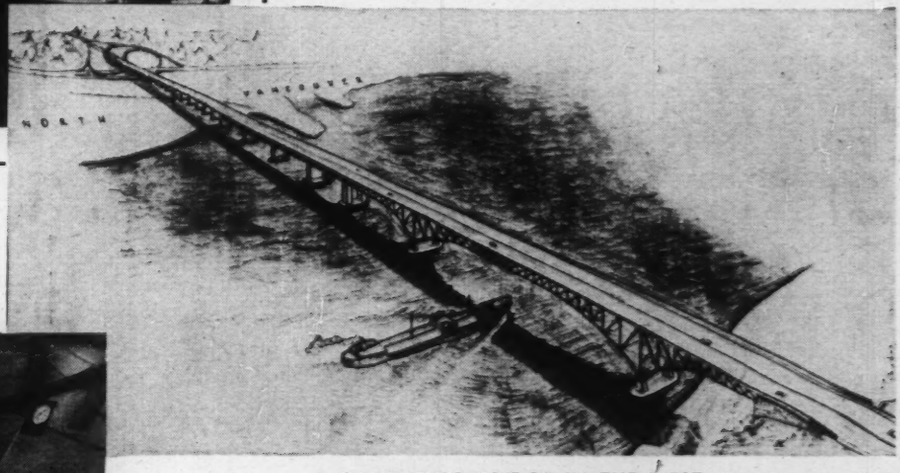
INTERESTING PATTERN is woven by these conveyor tubes installed at Consolidated Denison Mines Ltd. in Blind River region of Northern Ontario. They were constructed by Dominion Bridge which also supplied structural steelwork for many other uranium mines in this booming area.

Coast to Coast



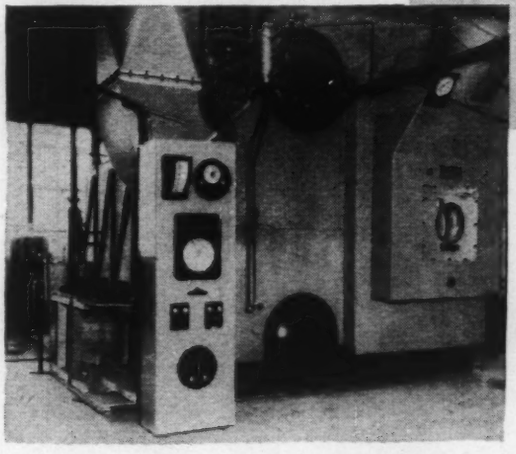
From coast to coast, Dominion Bridge is solving engineering problems in every major industry. Our four years' expansion programme is already well advanced—thus enabling us to serve even better the increasing industrial needs of a growing country.

17-STOREY ADDITION. The Royal York Hotel, Toronto. The largest in the Commonwealth, this structure is being further expanded by a 17-storey 400-room addition shown at right. Altogether some 20,000 tons of steel have been fabricated and erected by Dominion Bridge for this project.



CANTILEVER BRIDGE IN THE WEST. The Second Narrows bridge over Burrard Inlet at Vancouver. 16,600 tons of steelwork will be required for this new 6-lane bridge. With its centre span of 1100 feet, it will be the second longest cantilever bridge in Canada.

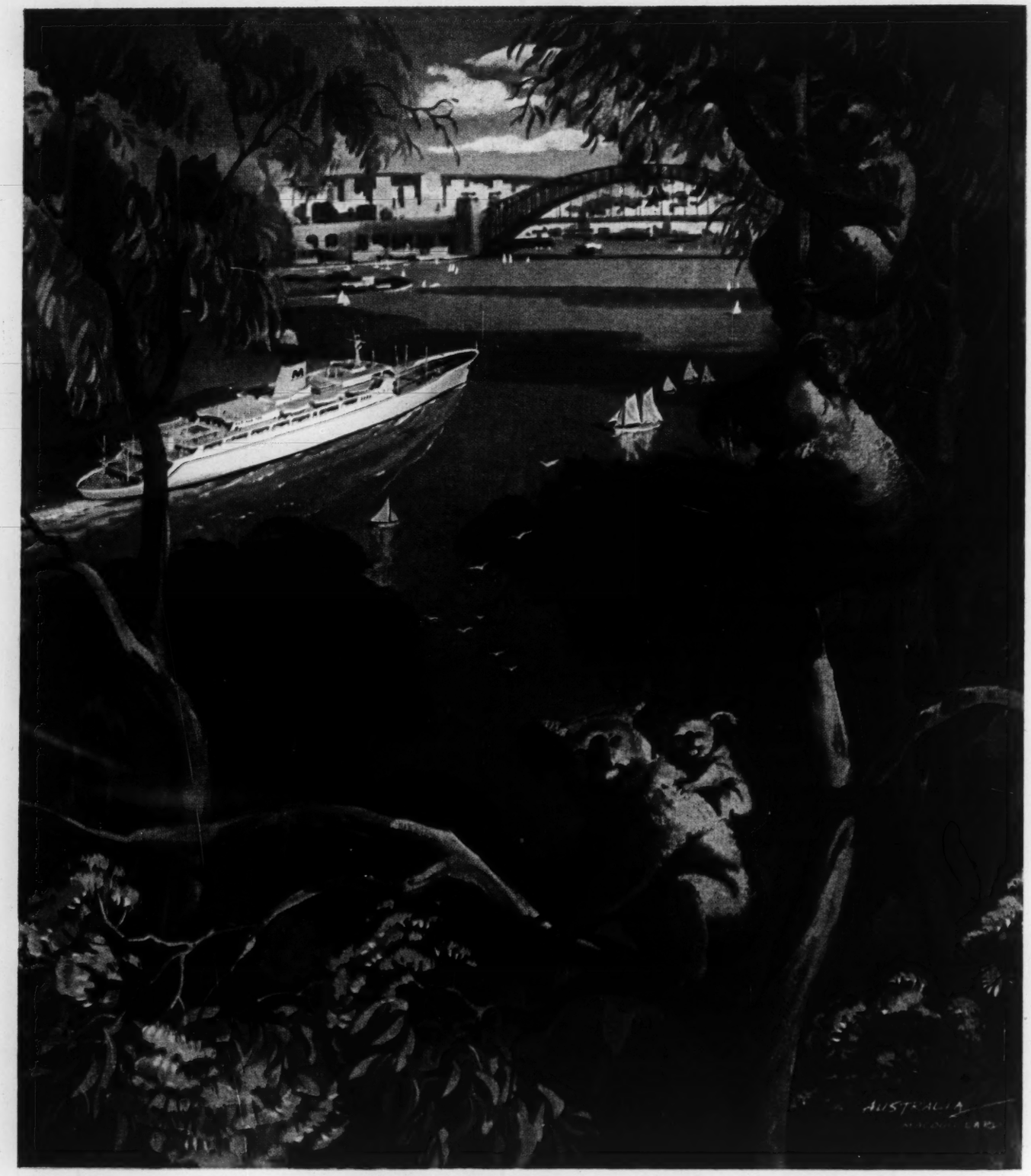
MODERN TREND IN BOILERS. Newly developed Dominion Bridge water tube package unit boilers are shop assembled and shipped complete to the site ready for connection to electrical, water and steam lines.



DOMINION BRIDGE COMPANY LIMITED. Plants: MONTREAL • OTTAWA • TORONTO • SAULT STE. MARIE • WINNIPEG • CALGARY • VANCOUVER. Assoc. Company Plants: AMHERST, N.S.; Robb Engineering Wks., Ltd. QUEBEC: Eastern Canada Steel & Iron Wks. Ltd. WINNIPEG: Manitoba Bridge & Eng. Wks., Ltd. EDMONTON: Standard Iron & Eng. Wks., Ltd.

Divisions: Structural • Mechanical • Boiler • Platework • Warehouse.

Dominion Bridge Company Limited



Sail on this adventure in leisure

You photographed Tahitian beauties against the fabulous background of Moorea, roamed New Zealand shops for Maori souvenirs. Now, it's fascinating Australia, then Fiji, Samoa and Hawaii. Visit all these lands on Matson's yacht-like MARIPOSA or MONTEREY. Time short? Business pressing? Sail Matson one way, fly the other or stop off anywhere along the route. A 42-day round-trip from $1035. One way to New Zealand, from $505; to Australia, from $575. All accommodations in First Class, air-conditioned with private bath. Supreme cuisine, service and entertainment. Sailings from California every 3 weeks. See your Travel Agent.

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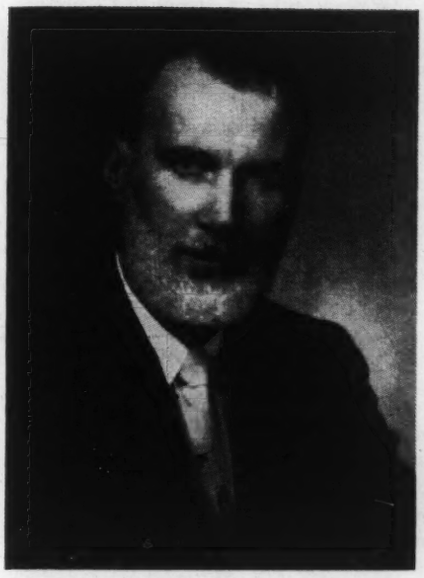
Matson Lines · The Oceanic Steamship Company · Offices: New York, Chicago, San Francisco, Seattle, Portland, Los Angeles, Honolulu, Vancouver, B.C.

Books

by Robertson Davies



Edmund Fuller: "The devil's gluepot".

The Warm Red Rebel

It is perfectly possible to be an effective writer and a boob as well; writers are not, by definition, intellectual or even especially literary or mature.

WHEN ONE BOOK CRITIC writes about another the result is apt to be a voluptuous massage, or a displeasing exhibition of cannibalism. But two books by critics come to hand which I cannot resist, the one because it expresses so well some ideas which I have cherished, in a rather different form, for years; the other because it pries into some curious corners of literature, and has given me so much pleasure.

The first of the two is *Man in Modern Fiction* by Edmund Fuller; it is a full-scale attack on the sentimentality of a large body of modern American novels, and a discussion of the ideas—more properly, the poverty of ideas—which lie behind it. Mr. Fuller appears to be an intellectual Christian, and his idea of Man is the Judaeo-Christian one of a being with freedom of choice, responsible to the God who created him. This idea of Man is neither contradicted nor supported by the modern novelists whom he attacks; it is by-passed in favor of a notion of man as a doomed and irresponsible creature existing in a world where no moral values apply.

Mr. Fuller is not attacking such writers as Camus, whose idea of the absurdity of man's fate is conditioned by hope and courage. He is gunning for a body of American novelists of whom James Jones and Norman Mailer are but two, who have exalted what he calls "the Yahoo-hero"—a coarse-fibred vulgarian, grotesque in his thinking, and immature in his attitude toward life (especially sex, which bulks enormously in such lives) who lives for the kicks he can get out of it. He especially excoriates the sentimental attitude which their creators take toward characters who are demonstrably criminal, representing them as victims of a society much worse than they; this leads to the sentimentality which exalts the genial, lovable rapist, and presents the madam of a bawdy-house as a saint and philosopher.

It is possible to applaud Mr. Fuller's attack without agreeing with it in every detail. For myself, I think that many of the novelists of whom he complains write as they do because they are men of undoubted literary gifts who happen also to be immature in intellect and desperately badly-educated. This is intellectual snobbery, which is even more out of fashion in the literary world of the U.S.A. than religious conviction.

Sentimentality is the philosophy of boobs. It is perfectly possible to be an effective writer and a boob, as well; writers are not, by definition, intellectual or even especially literate. They do not have to be mature in their attitudes, because there are plenty of immature readers upon whom they can impose, and plenty of self-doubting intellectuals who are prepared to accept as a genius any man who asserts loudly that life is a swindle, and God and morality a fake. Such self-pitying twaddle finds an echo in the great cave of emptiness which many of us carry in our hearts. But it is no more than the Victorian assertion that God's in his Heaven and that anyone who is down on his luck is plainly out of favor with God, for excellent reasons.

People who believe in God, and God only, can write novels which are dreadful trash: people who believe in the Devil, and the Devil only, write many best-sellers which are praised for their realism — which means nastiness and nihilism. The true realist, I assert with polite bows to both parties, is he who believes in both God and the Devil, and is prepared to attempt, with humility, to sort out some corner of the extraordinary tangle of their works which is our world. Realism is most certainly not the substitution of sentimentality for intellect: nor does "compassion" mean the abandonment of a moral system.

It is interesting that in his polemic against the Devil-worshippers Mr. Fuller mentions neither Arnold Toynbee nor C. G. Jung. Both these men have asserted that the morality of the future will be discovered by man's patient examination of himself, and that the result of such an examination may be an advance, or a clarification, of the religions which we know. The sentimental nihilism against which Mr. Fuller inveighs so ably is the Devil's gluepot, sweetened to catch some very foolish flies.

Meanwhile the American novel suffers from the insularity and bigotry of the determined unbeliever, who asserts the despair and disintegration of man as dogmatically as the doctrine of Pollyanna was ever asserted by the friends of the Glad Girl.

The Glad Girl was a fathead; Ella Wheeler Wilcox was not a fathead, but she was a brazen-throated Yea-Sayer; in *A Visit To Mrs. Wilcox* Naomi Lewis gives us a pleasant and well-balanced picture of her. What is so baffling and infuriating about Ella Wheeler Wilcox is that she so often said things which were quite true in a manner which nobody of taste or sensibility could bring themselves to do. The novelists whom Mr. Fuller attacks write as they do, E. W. W. would undoubtedly say, because "that warm, red rebel, the Heart" makes

deep pizza pie...

Star of October's Cheese Festival

Cut up ½ lb. sausages and fry with 1 chopped onion in 1 tbsp. butter. Drain off excess fat place mixture evenly in 8½-inch unbaked pie shell.

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A new and easy main-dish pie! Your family will love this Canadian version of an old European favorite—made extra savory with the tangy goodness of *Canadian Cheddar Cheese.*

October is a good time to get better acquainted with versatile *Canadian Cheese*—food that gives you more value for your money. For other new cheese main dishes write for Marie Fraser's recipe booklet from—

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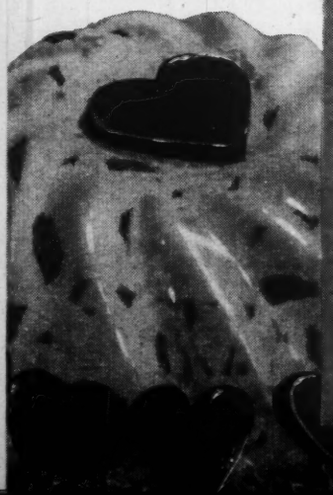
THE MAGAZINE ADVERTISING BUREAU OF CANADA
21 Dundas Square Toronto, Canada

This advertisement sponsored by:

Canadian Homes & Gardens
Chatelaine
Health
La Revue Populaire
Le Samedi
Liberty
Maclean's Magazine
Saturday Night
Western Homes & Living



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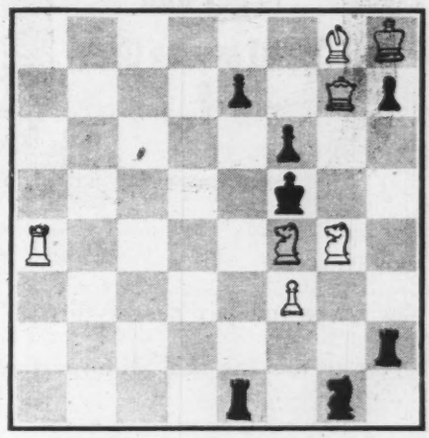

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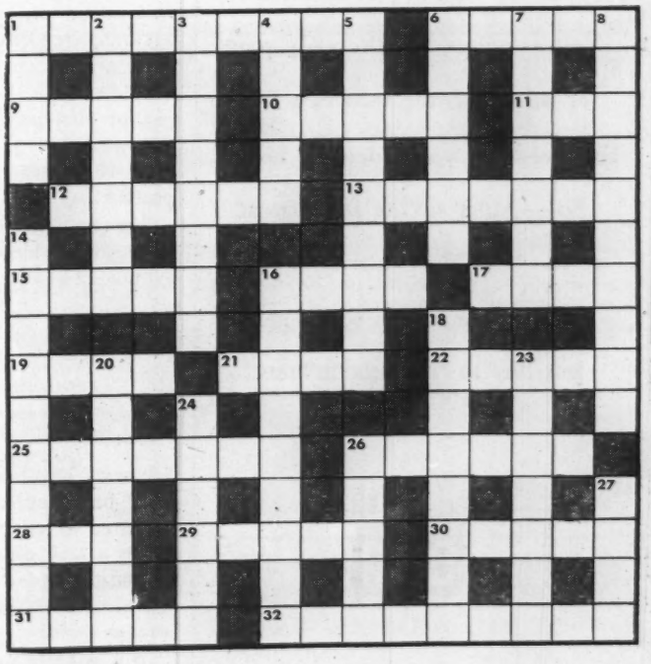

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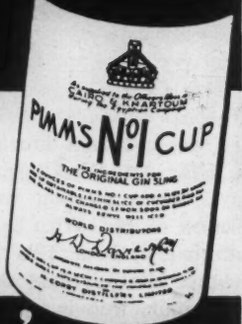
4 Eva
5 Steps
6 Macaulay
7 Teasing
8 Rehearsal
12 Idiot
14 Entrances
16 Coves
17 Estrange
19 Alabama
21 Ali Baba
22 Tackle
24 Tibia
25 Inlet
28 Asp (444)

House of Lords

The excellence of these distinguished cigars assures you the finest possible smoking enjoyment . . . the true luxury of select Havana filler . . . the finest in the world.

CORONA DE LUXE • GOLD STRIPE • PETIT CORONAS • LILIES • QUEENS • PANETELAS

TODAY
TOMORROW
EVERY DAY
IS
PIMMSDAY



The most heavenly drink on earth.

PIMM'S NO. 1 CUP (GIN BASE)
NO. 5 CUP (RYE BASE)

EXPORT "A"
FILTER TIP
CIGARETTES

them do so. If there is an Elysium for writers, I may yet have the pleasure of seeing E. W. W. corner James Jones, Norman Mailer, Nelson Algren, Mickey Spillane and their colleagues in some cosy spot, and adjure them to—

Smile a little, smile a little,
All along the road;
Every life must have its burden,
Every heart its load.

Why sit down in gloom and darkness
With your grief to sup?
As you drink Fate's bitter tonic,
Smile across the cup.

It would be a moment to cherish, literally for Eternity, but I fear that E.W.W. would quickly leave the retching lovers of the Yahoo-hero to assure me and my like that—

Though critics may bow to art, and
I am its own true lover,
It is not art, but heart, which wins
the wide world over.

Heart! How often the word pops up in her verse! Heart must always take precedence of Head. It is no surprise to learn that E. W. W. was a bustling, stout, boundlessly energetic woman; one surmises that her digestion was superb, her elimination faultless. It is this remorseless well-being of her which shouts to us from all her pages. She was happy, and happiness so often gives an effect of shallowness. Yet her hope was no more shallow than Norman Mailer's despair, they both seem to be the outcome of minds ill-adapted to the accommodation of more than one strong idea.

But is it necessary to be gloomy to have some understanding of life? Browning was not gloomy, and there are still people who should know better who dismiss him as a somewhat more sinewy E. W. W. The tendency of the literary world to equate low spirits with high intellect deserves a long, cold look.

E. W. W. is not the only fare Miss Lewis offers us. She writes brilliantly about *Peter Pan,* and ventures to wonder what Jane Austen would have made of him. But beside this excellent analysis she permits herself some silly stuff about the place of children, and especially the deaths of children, in Victorian fiction. As one who regards children, for all their occasional charm and imagination, as essentially adults-in-the-making, I dissent from Miss Lewis' judgment. The death of a child is a sad thing, and the better Victorian novelists treated it so, in the manner of their time, with great sincerity. What's wrong with that? Some were sentimental, and it may be said that as all sentimentality corrupts, absolute sentimentality corrupts absolutely. This applies to sentimentality about noble harlots and drug-addicts, as much as to sen-

timentality about children. Sentimentality is lack of balance, and balance is the deep concern of the artist.

Man In Modern Fiction, by Edmund Fuller—pp. 165—*Random House—$4.50.*

A Visit To Mrs. Wilcox, by Naomi Lewis —pp. 246—*Ambassador Books— $4.25.*

Books Received

Medieval Thought (Gordon Leff)—*Penguin Books—$0.70.*

The Atom and the Energy Revolution (Norman Lansdell)—*Penguin Books—$0.70.*

Science is a Sacred Cow (Anthony Standen)—*Dent "Everyman"—$1.35.*

Smaller Classical Dictionary (Sir Wm. Smith)—*Dent "Everyman"—$1.65.*

A Short History of Russia (R. D. Charques)—*Dent "Everyman"—$1.50.*

Caesar's War Commentaries (edit. John Warrington)—*Dent "Everyman"—$1.50.*

Background of Modern Poetry (J. Isaacs) —*Dent "Everyman"—$1.15.*

History of the Kings of Britain (Geoffrey of Monmouth) — *Dent "Everyman"— $1.85.*

Pascal's Pensées (intro. T. S. Eliot) — *Dent "Everyman"—$1.25.*

Aucassin & Nicolette & other Mediaeval Romances—*Dent "Everyman"—$1.35.*

The Lion-tamer and other Stories (Bryan MacMahon)—*Dent "Everyman"—$1.35.*

Beyond This Silent World (Roy Cini) — *Greenwich—$2.50.*

At Doctor Mac's (Peter Quince) — *Dent—$3.00.*

Atomic Radiation Dangers (H. W. Heckstall-Smith)—*Dent—$1.50.*

The Lady and the Cut Throat (Tom Hopkinson)—*Clarke, Irwin—$3.25.*

Twenty-Three Skidoo (Leonard Meyers)— *British Books—$5.00.*

Turgenev's Literary Reminiscences (ed. David Magarshack)—*Ambassador—$6.25.*

Scottish Costume 1550-1850 (S. Maxwell & R. Hutchison)—*Macmillan—$5.75.*

Operation Sea Lion (Ronald Wheatley)— *Oxford—$6.00.*

Elizabethan Literature (Helen Morris) — *Oxford—$1.50.*

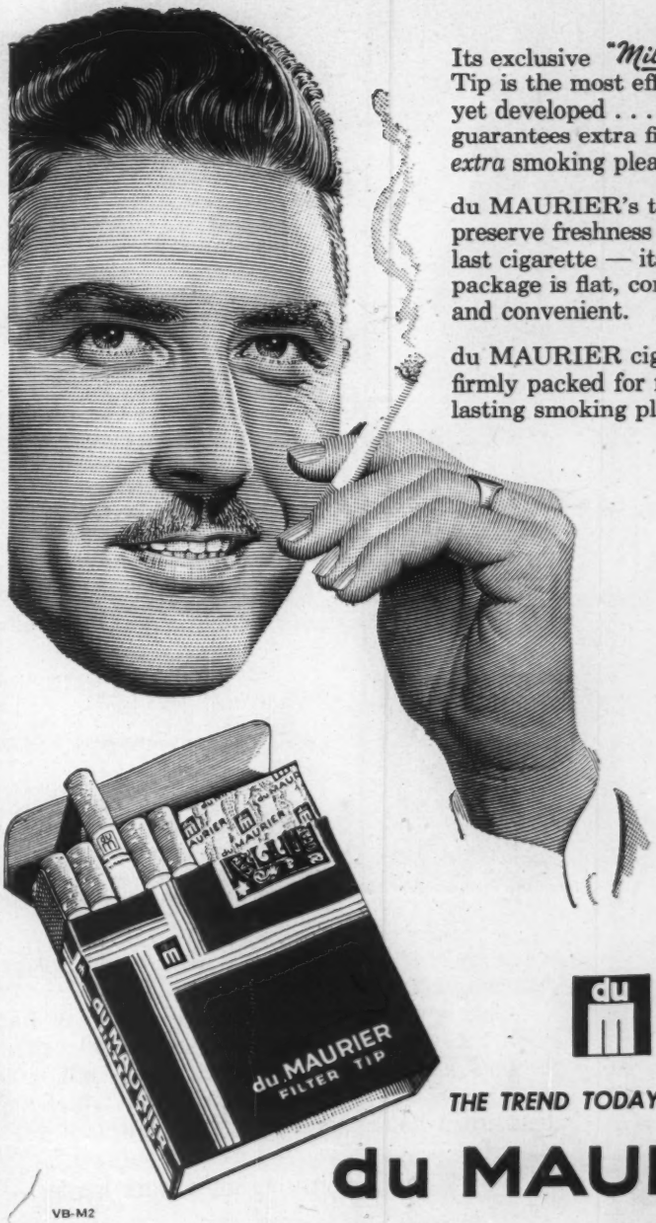
Precious Rubbish (Theodore L. Shaw) — *Stuart Art Gallery—$0.35.*

British Columbia Rides A Star (Vera Kelsey)—*Dent—$5.00.*

The McCrea Models—History in Wood (Frances Morden McCrea) — *privately published—$3.75.*

English Short Stories of Today (edit. Dan Davin)—*Oxford—$2.50.*

THERE'S SOMETHING SPECIAL ABOUT du MAURIER
FILTER TIP



Its exclusive "Millecel" Filter Tip is the most effective filter yet developed . . . a filter that guarantees extra filtered mildness, *extra* smoking pleasure.

du MAURIER's twin-foil packs preserve freshness to the very last cigarette — its distinctive package is flat, compact and convenient.

du MAURIER cigarettes are firmly packed for finer, longer-lasting smoking pleasure.

THE TREND TODAY . . . IS TO

du MAURIER

VB-M2

A Really Milder High Grade Virginia Cigarette

deep pizza pie...

Star of October's Cheese Festival

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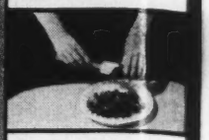

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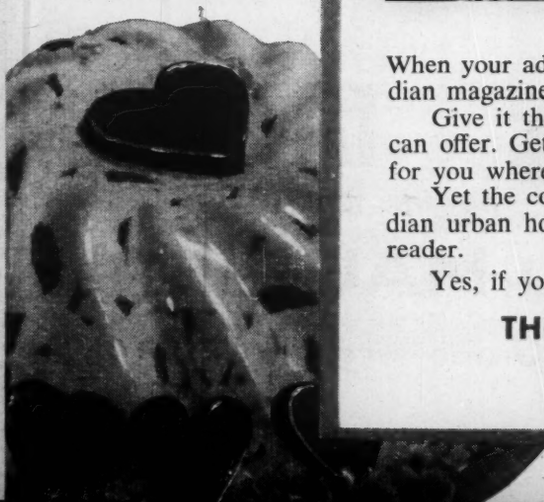

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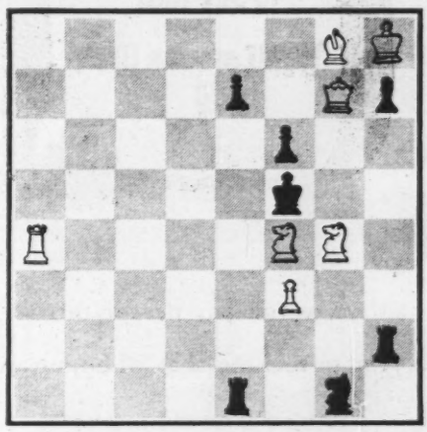

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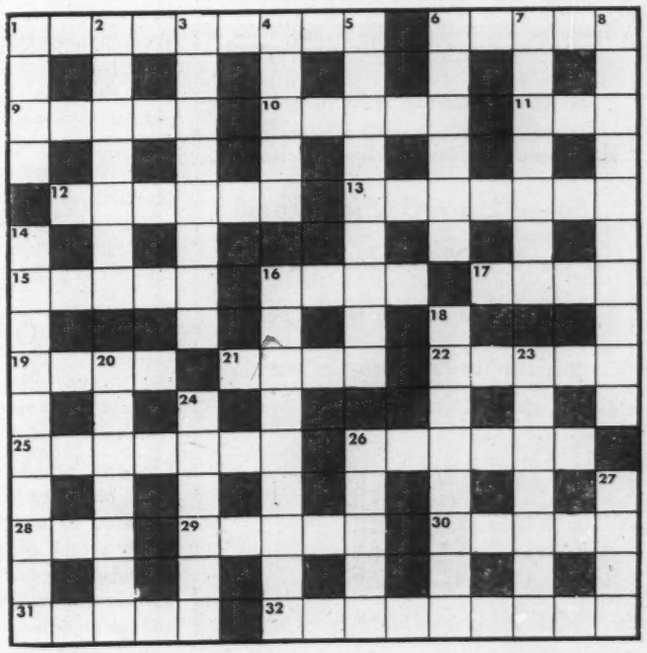

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24 Tibia
25 Inlet
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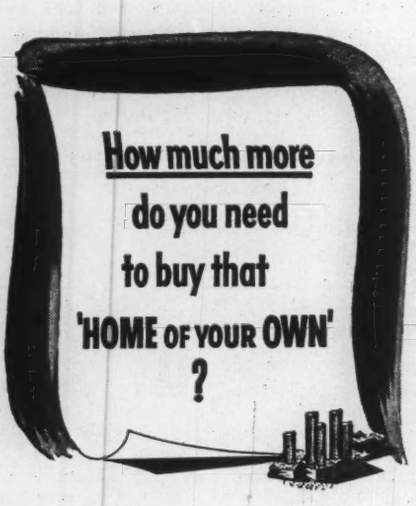

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Gold & Dross

Uranium for the short term—Western oil factors—Put and Call trading in Toronto—A cyclical steel operation.

Gunnar

I am interested in Gunnar Mines Ltd. and invite your comments on its prospects.—C.V. Hull.

Gunnar Mines is a producer of uranium concentrates from a mine in northern Saskatchewan. The future of uranium producers after the expiration of their contracts with the government is any one's guess but it is possible to discuss the company's short term prospects.

Gunnar as a new producer is income-tax free until March 1, 1959. In consequence it was able for 1957 to show a net profit of $8.6 million or $2.58 a share versus $6.6 million or $1.98 a share in 1957. Due to the high permissive allowance for pre-production expenditures and capital costs, there will be a further tax-free period after March 1, 1959.

Gunnar reported a sharp increase in production last year to $19,101,932 from $13,540,214 in the previous period, and a rise of 30.4 per cent in net earnings, as shown above. The 1956 figures included only 10 months of commercial uranium production.

The company has declared an initial dividend of $1.25 a share, payable this summer.

Western Oils

Are western oils stocks to be recommended as a purchase at current levels?—F.A., North Bay.

Elements of attraction in the western oils must be conceded providing the buyer is prepared to stay with them. There seems to be a lack of prospective developments promising an early improvement in their market quotations. This, of course, could change rapidly.

It is pointed out by some who favor the oils that they are not overvalued in relation to their reserves, etc. Frequently, such a view is based on an assumed price of $1.00 a barrel, or so, for their reserves in the ground, which is considerably less than is the current market price. Oil that will not be brought to the surface for 25 years has a somewhat more nominal value than oil for which production can be expected in five years or less.

As important as reserves, is to approach oil investments on the basis of overall possibilities inherent in companies with extensive land holdings. Exploration and development would be stepped up if Canadian oil enjoyed unrestricted entry into the United States market. This time may be closer than many think since the U.S. has only 11 years' petroleum reserves at the 1957 rate of production. In 1957, U.S. development of new petroleum reserves was less than consumption for the first time in 14 years. The U.S. may yet be forced to admit Canadian oil and in this event the western oils stocks can look forward to the degree of market interest for which many of their followers are hopeful.

It is a long lane that has no turning.

Puts and Calls

Please explain puts and calls for an interested reader.—F.C., Windsor.

Your query is very timely in view of the recent opening of a put and call trading business in conjunction with stocks listed on the Toronto Stock Exchange.

A put is the right to sell stock at a stated price for a given period of time. A call is, on the other hand, an option to buy stock at a set price for a certain period.

When you buy a put, you are betting that the stock will decline below the price at which you can sell it upon the put contract. When you buy a call, you are betting the stock will advance to above the price of your call.

Puts and calls have been a means of trading New York stocks for many years but it is too early to say how popular they will become in Toronto. They will probably not be available on all Toronto stocks.

Atlas Steels

Tell me how Atlas Steels looks? — R.M., Montreal.

Atlas Steels is a manufacturer of specialty steels and its operations are highly cyclical. This is evidenced by a comparison of earnings for 1957 and 1956.

The company had net income of $2,695,653 in 1957, after provision for depreciation of $1,954,185 and income

taxes of $2,500,000. This was equal to $2.49 per share of common stock. For 1956 net income was $4,212,582 equal to $3.92 per share. Sales for 1957 were $43,200,730 compared to $45,093,664 in 1956.

Although first quarter 1957 sales and earnings were the highest in the company's history the changing market conditions adversely affecting Canada and the rest of the world were evident early in the year. During the year the volume of incoming business and the level of operations decreased.

Inventories were reduced by nearly $3,000,000 in 1957 to $9,558,594 as compared to $12,367,458 at the end of 1956. While carrying out a capital expenditure program in 1956, the cash position was substantially maintained, being $4,203,-851 compared to $4,462,224 at the end of 1956. Working capital which on December 31, 1956, was $15,900,750 was decreased by $2,331,080. Of this decrease over two million dollars is represented by the acquisition of a substantial interest in Usines Gilson, S.A., La Croyere, Belgium.

Capital expenditures of $3,458,103 in 1957 added to facilities. New equipment doubling the capacity of the stainless steel-strip mill included a new annealing and pickling line and a second Sendzimier cold mill which permits rolling thinner gauge strip. Another expenditure was for a new administration building. It is the first all stainless-steel curtain-wall building in Canada. This type of panel makes cold weather construction possible, which is a very important development in Canada. A new warehouse and office in Montreal and a warehouse addition in Hamilton were of stainless steel and brick construction. In 1958 capital expenditures will be approximately $1,500,-000.

Bralorne

Your past comments on Bralorne have been helpful as far as they went. I would, however, appreciate more information as to the basis of your optimistic expectations for this company. — C.V., Montreal.

Results of operations at Bralorne in the year 1957 showed a marked improvement over the preceding lean five years. The profit of $504,472 compares with $87,-665 in 1956. It would have been considerably larger if the mine crew had not been reduced by as much as 20% by the epidemic of Asian flu in September and October. This caused the passing of the October dividend. By the end of the year the crew was approaching normal and production and profits had greatly improved.

Ore milled in 1957 totalled 141,192 tons averaging 0.657 ounce gold per ton, compared with 131,662 tons averaging

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DIVIDEND No. 188

Notice is hereby given that dividend No. 188 of forty cents (40c) per share for the quarter ending June 30, 1958, has been declared upon the shares of the Company, payable Friday, August 1, 1958, to shareholders of record at the close of business Friday, July 4, 1958.

By Order of the Board,
R. B. TAYLOR,
Secretary.

Hamilton, Ontario, June 9, 1958.

THE CANADIAN BANK OF COMMERCE

DIVIDEND No. 286

NOTICE is hereby given that a dividend at the rate of thirty-five cents per fully-paid share on the outstanding Capital Stock of this Bank has been declared for the quarter ending July 31, 1958, payable at the Bank and its branches on August 1, 1958, to shareholders of record at the close of business on June 30, 1958.

BY ORDER OF THE BOARD
J. P. R. WADSWORTH,
General Manager

Toronto, May 23, 1958

THE CONSOLIDATED MINING AND SMELTING COMPANY OF CANADA LIMITED

DIVIDEND No. 106

NOTICE IS HEREBY GIVEN that a Dividend of Forty cents (40c) per share, on the paid up Capital Stock of the Company, has this day been declared for the six months ending the 30th day of June, 1958, payable on the 15th day of July, 1958, to shareholders of record at the close of business on the 13th day of June, 1958.

By Order of the Board.
L. O. REID,
Secretary.

Montreal, P.Q.,
June 5, 1958.

Newfoundland codfish — destination Italy. The dockside "superintendent" on the right is the manager of the Royal Bank branch in St. John's, picking up pointers on the fish export business.

What's a banker doing here?

He's learning about his customer's business at first hand. Of course, visits like this won't make him an expert fish-packer, but this Royal Bank manager *does* know a lot about the financial operations of the fishing industry.

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0.501 ounce gold per ton in 1956. The higher grade was due to an increasing proportion of ore from the rich lower levels in the "77" vein. The grade of ore reserves indicates that ore will be at least as rich as that mined in 1957 for several years to come.

The operating cost per ton was slightly lower than that in 1956, but far higher than that in earlier years. The slight reduction in cost in 1957 was due to the increased tonnage. Future costs will depend largely on general economic conditions. As long as there is a recession in other industries, an adequate crew, production and costs should be maintained. A renewal of general prosperity, with resulting inflation, would bring hard times to Bralorne. Like all gold mines, it would be caught in the pincers between higher wages and prices of supplies and a fixed gold price. Except for the improvement in grade of ore, the outlook for Bralorne would be bleak.

Ore developed in 1957 nearly replaced the tonnage mined, with a considerably greater gold content. The principal new ore was in the "77" vein on the 32nd level. Drifting here has developed 1,009 feet of ore 7.27 feet wide averaging 1.15 ounces of gold per ton. This is the richest ore body yet found in any vein or on any level in the Bralorne mines. Due to this one ore body, the gold content per vertical foot on the 32nd level already exceeds that in all veins combined in all levels save the 6th, 14th and 16th. Because of the higher grade, neglecting the effect of inflation, the 32nd level is by far the best one yet developed. Development of the "77" vein on the 33rd level has started and has already indicated an excellent ore body.

Trust Companies

While resource-industry stocks like International Nickel, Aluminum Ltd. and others of their type have led investment markets in Canada in recent years, service-industry equities such as Loblaw, Royal Bank, etc. have also been profitable to hold. What would you think of the future of a service-industry like a trust company and of shares of this country's trust companies?—W.P., Port Arthur.

It is difficult to name an industry whose future is so closely tied to the economy as the trust-company business.

The joint-stock company is the dominant form of ownership and business administration. Continued growth for the joint-stock company is foreseen as this country realizes its future.

Consequently, there will be a great demand for those corporate services which the trust company renders. The joint-stock company must issue stock, which involves the trust-company functions of transfer agent and registrar; it must mail dividends

and distribute annual reports, again drawing on the trust company; administer its pension fund and fulfil many other functions which can be more economically undertaken by a fiduciary than by a corporation itself.

This is the day of the joint-stock company and the fiduciary is important to it. As an indication of the trend, it might be noted that trust companies in Ontario in 1957 issued on behalf of Canadian corporations, a total of 2,222,000 dividend cheques, up from 2,069,000 in 1956. Additionally they distributed dividends of $197 million and issued three million share certificates.

The trust company is also in the investment-management and banking business. Its investment custody and management comprise services of which an increasing number of astute investors are taking advantage. It also issues certificates of deposit, which investors regard as attractive short-term investments, against funds which it employs in various forms of approved investment.

Upper Canada

How do you like Upper Canada Mines?—J.T., Halifax.

Upper Canada Mines is a not uninteresting gold property in the East Kirkland Lake district. It has in hand a program of deepening the No. 1 shaft from the area of which most of the ore milled in 1957 was derived. The shaft extension will provide five or six new levels and open the property to the 4600 horizon.

Any commitment in gold shares should be approached only with the future outlook for the yellow metal in mind.

Int. Nickel

What do you think of International Nickel, which some are selling in anticipation of uncertainty regarding the dividend of $3.75 a year? A big New York broker recommends selling it, although it likes the company over the long term.—P.W., Toronto.

International Nickel received good market support notwithstanding the announcement of an additional 10% cut in nickel output in May. This came on the heels of a prior 10% cut and brings total tonnage reduction to 2,250 tons per month. Concurrently the company's copper output would be reduced proportionately since the two metals are combined in the same ore. The nickel cutback reflects total free world consumption in the first quarter of 1958 at an annual rate of 177,500 tons while production after the proposed cutbacks would still be at an estimated rate of 225,000 tons.

Under these conditions, bearishness regarding the company's position and outlook by professional traders is understand-

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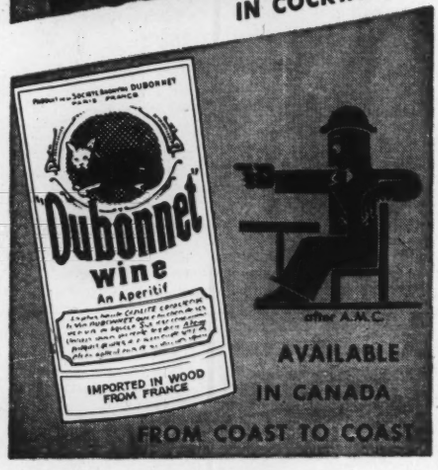

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able. It is, however, important to note that recommendations to sell are for the short term and are qualified by optimism regarding the long-term outlook and this is what the investor should consider. Any one selling International Nickel, or deferring its purchase, may find he is without this stock when and if it increases in value by reason of developments back of it.

International Nickel's Manitoba mining project will be ready for production in 1960, as planned. While nickel is currently in oversupply, the Manitoba project is one of the things essential to taking care of anticipated increased demand for nickel in the future, company officials note.

Current unfavorable occurrences can be considered more or less temporary. The company has expanded research to provide markets for the increased production scheduled to become available in 1960-61.

Officials feel the abundant supply available since last year "enables us once again to proceed aggressively with our program to develop new uses for nickel and present markets which lend themselves to more rapid expansion are receiving immediate attention."

Estimated capital expenditures this year will be between $60,000,000 and $70,000,000—most of it in Canada—compared with the previous record of $43,000,000 in 1957. Exploration expenditures last year also were the highest in the company's history.

Here is a big company with a big future.

Torbrit

How is the ore position at Torbrit Silver Mines?—H.S., Cornwall.

Known ore reserves of Torbrit Silver Mines will be exhausted this autumn. An adit is being driven northward into an adjoining optioned property to explore the mineralized zone heading that way.

The company had a first-quarter net loss of $6,700 with an operating profit of $21,700 after taxes, compared with a 1957 net profit of $52,000 and $105,700 operating profit.

Combined Enterprises

Is Combined Enterprises able to maintain its position?—B.F., Toronto.

Although profits for the first quarter are down considerably compared with the first quarter of 1957, consolidated results of Combined Enterprises Ltd. for 1958 will approximate those of 1957.

This assumes no major economic disturbances and continuation of general business at the current level at least.

Acquisition of Eastern Steel Products, which was in receivership, was completed March 24. This company expected to operate at a slight loss in April, to break

even in May and to earn a profit each month thereafter, sufficient to provide a reasonable return on the investment. For 1958 it is planned to continue Eastern Steel's present line of products while rebuilding the company, and in 1959 to expand product lines.

The two subsidiaries most seriously affected by the economic downturn are Gutta Percha Rubber and Hamilton Gear & Machine Co.

Hallnor

I have found your comments helpful in formulating an investment policy and would like to impose on your service further to the extent of asking for an opinion on Hallnor Mines.—B.J., Kitchener.

Hallnor Mines is a medium-grade, medium-sized gold operation in Ontario's Porcupine district, with reserves of 215,000 tons of 0.38 oz. grade at the end of 1957. Exploration possibilities are interesting and the overall situation is not without appeal in view of the great depth possibilities of the Porcupine camp.

East Malartic

Anything noteworthy in the operations of East Malartic Mines? — L.R., Buffalo.

Operations of East Malartic were reportedly continuing on a satisfactory basis this year with operating profit for the March quarter nearing the $300,000 mark.

The company had a strong capital position at the end of 1957 with net current assets of $1.8 million, down only slightly from the previous year. The company is now under the wing of Little Long Lac Gold Mines.

In Brief

What do you think of Osisko Lake Mines Ltd.—D.B., Stratford.

Osisko Lake ranks as a locational bet, the possibilities of which cannot be entirely dismissed notwithstanding the fact that the property has been drilled in every direction except upside down. Its adjacency to Noranda commands considerable respect.

What's Mylake Mines doing?—B.M., Niagara Falls.

Looking over a gold property in Ontario.

Why did East Sullivan earnings dip the last year?—K.A., St. Catharines.

Another copper casualty.

Has stock of Four Nation's Gold Mines any value? — M.D., London, Ont.

Apparently not.

What is the position of Horsefly Placers Ltd.?—R.J., Quebec.

Articles of association cancelled a couple of decades back.

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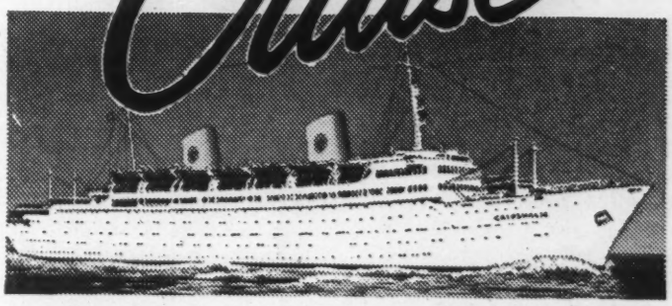

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Insurance

by William Sclater

Renewal Liability

In February 1956 I took out a Public Liability and Property damage auto insurance policy with a well-known insurance company. In February of 1957 I renewed the policy for a further 12 months. In February of this year I decided to insure with a different company and did not renew my previous policy. The company sent me the usual reminder to pay my premium when it became due, and when they followed this with a second reminder I wrote to advise I was already insured with another company for the coming year. Now they have sent me a demand for an amount less than $5 for cancellation of policy. Since I gave no authority for renewal of the policy I feel I am not liable for this premium. It occurs to me that if an insurance company is free to send out a policy to anyone and, as long as the recipient ignores it he is liable for the premium, it is a curious state of affairs. Surely this can't be?—R.R., Windsor.

It isn't and certainly couldn't be where a new policy is concerned but there may be a point in connection with your own case that might involve a legal opinion if your insurance agent pressed this claim. How did you renew your policy after the first year? Did the agent send you a renewal policy as a sort of automatic renewal and did you sign and return this *after* the original policy date had expired. The reason I ask is the use and custom practice of many insurance agents in automatically renewing policies unless they have prior instructions from their client not to do so. It is quite a factor in the fire and casualty business. Many people are forgetful about an exact date or to take the proper action in time yet, in the main, they intend to renew the policy and would be greatly disturbed if the agents had not renewed it for them and trusted to their good intentions.

I know of several cases where people were involved in accidents within a few days of the expiry date of their policy and were fortunate their agent had kept them covered. I got so annoyed at one agent just after the war, because he had failed to advise me of the benefits of Veteran's Insurance due, I suspected, to the fact there was no commission in it for him, that I seriously considered placing my auto insurance elsewhere. But while I seethed the policy expired and two days later an irresponsible driver who was not insured crashed into my car. Luckily my agent had renewed my policy for me and was waiting my signature. You see what I mean?

It is not always impossible to look at these things from what appears to be a strictly legalistic attitude and, because of such cases, it is advisable to notify any insurance underwriter by phone or mail that you do not intend to renew a particular policy. Then you are clear of any possible liability and avoid any waste of your time or the insurance agent's time and paper.

What you are being charged for is the interim period coverage until they learned definitely from you that you didn't want to be looked after. Now whether that is legal in this case or isn't legal is a point that might well call for a lawyer's opinion. I've paid a short rate such as this myself because I had forgotten to notify my agent of a sale of insured property. Maybe it wasn't strictly legal for them to charge me but I felt they were looking after my interests in an honest way and it was my responsibility to notify them in proper time and I had failed to do so. I can see how you feel about this matter but I do think the company or agency acted with your best interests at heart.

Lower Auto Rates?

When I read in the papers that Nova Scotia is scrapping its provincial unsatisfied judgment fund and that the automobile insurance companies are going to pay claims against uninsured drivers to the limit of $10,000 bodily injury for single claimant and $20,000 to more than one, plus up to $5,000 for property damage claims it makes me wonder why we are so slow here in Ontario. And what about Saskatchewan? The rates there are lower than ours too. — H. W., Toronto.

Are they? While I believe that comparisons are usually unfair to one side or the other I must point out that auto rates are naturally lower where the danger of collision is not so strongly present. There are less than two cars to the square mile in Saskatchewan and there is at least one auto to every 3.5 people in Toronto. There are far more autos in a single Toronto suburb than in all of Saskatchewan. And you know what that multiplicity of vehicles does to the chances of accident statistics.

I firmly believe that, if the Saskatchewan Government was insuring autos in Toronto the rates they would have to charge would be at least as high and probably higher. Auto insurance underwriters are not making profit. The loss ratio last year, at nearly 74%, was even higher than the 1956 loss figure of over 70%.

As for Nova Scotia motorists deriving any benefit from the auto companies taking the place of the unsatisfied judgments fund, all I can say is that the Nova Scotia motorists will have to bear the whole load — that is the ones who take out insurance — now that the man who doesn't drive isn't contributing any more via his provincial taxes. The Royal Commission recommended compulsory auto insurance for all autos as the only fair method and NS motorists would be better off in my opinion if they heeded that. There is no good excuse for an uninsured vehicle being on our roads and endangering the lives and property of our people in this 20th century. If the owners can't be financially responsible then they shouldn't be using the roads.

Now and then there are stories of government moving into the insurance business and it is rumoured that fear of this causes auto insurance underwriters to oppose some compulsory proposals. If there is one field of private enterprise that is well and competitively served and is as good an example of our free enterprise system as can be found, it is the insurance field. And it is one field any government would be well advised to keep out of if we are to continue to be well served.

Damaged Carpet

When I sent a carpet out to a company advertising themselves as competent carpet cleaners they returned my carpet in such damaged condition that I do not think I should have to use it. I understand they have insurance policy against claims for damage. In these circumstances am I not entitled to a brand new carpet to replace the one they damaged. They say I am not. What should I do? — T.N., Halifax.

Wouldn't think so under law though some cleaners might replace it as a goodwill gesture. What you are entitled to, if the facts are correct as stated, is the value of the carpet on the date you sent it out less any salvage value of the carpet after it was damaged.

This does not add up to a new carpet because you would have to deduct reasonable wear and tear value for the time you have used the carpet prior to this happening. You would have to assume that cost value yourself to make up the price of a new carpet. Insurance replaces what you are entitled to receive for a fair settlement but it is not for profit.

Your Taxes

by Garfield P. Smith, CA

Construction Workers

Ordinarily, benefits to an employee in the form of free room and board or payments made to him in lieu thereof, or for transportation between his home and his place of employment, were considered income in the hands of the employee and taxed accordingly.

For 1957 and subsequent taxation years, such benefits or payments will *not* be taxable in the hands of an employee who is a construction worker, provided that the following conditions are met:

(a) He must be employed at a site far enough from his home so that he could not reasonably be expected to return daily to his home,

(b) His home must be a self-contained domestic establishment, in which he actually supports his wife, or a person dependent upon him for support, and connected with him by blood relationship, marriage, or adoption, and

(c) His duties must require that he be away for a period of not less than 36 hours from his ordinary place of residence.

Foreign Tax Credit

I received dividends from United States and from which income tax of 15% was deducted at the source. When I filed my Canadian income tax return, I deducted the 15% United States withholding tax from my Canadian tax. On assessment, only a portion of the withholding tax was allowed because depletion and carrying charges were deducted from the United States dividend. Should not the foreign tax credited be limited only by the effective rate of Canadian tax?—R.K.V., Toronto.

Not necessarily. Where foreign taxes have been withheld at the source from the gross amount of such payments as royalties, dividends, interest or rent, only a portion of such withholding tax may be deductible from the Canadian income taxes otherwise payable. The Income Tax Appeal Board has ruled that withholding tax in some cases has been applied on something more than the income of the taxpayer for Canadian tax purposes.

For example, if $150 foreign tax was withheld by a foreign country on a dividend of $1,000 paid from that country, and if depletion and carrying charges allowable in Canada totalled $350, the foreign income is not $1,000, but the net amount of $650. As the foreign tax was applicable to the gross amount of $1,000, only such portion of the tax as relates to the net amount of $650 is applicable for Canadian tax purposes. The foreign tax credit therefore may not exceed 650/1,000 of $150 or $97.50.

In addition, there is the further limitation to the foreign tax credit, in that it may not exceed the proportion of the Canadian tax otherwise payable, that the net foreign income bears to the total net income.

For example, if your net foreign income was 30% of your total net income, then your foreign tax credit could not exceed 30% of the Canadian tax otherwise payable.

Gift Tax

Taxes, Taxes, Taxes!! You are taxed on income as you earn it, there is a tax levied against what you have left when you die, and you are taxed upon what you give away during your lifetime. Through skilful income tax and estate planning, it is often possible to save substantial amounts of tax both during your lifetime and for the benefit of your heirs, after your death. Certain phases of such planning is sometimes accomplished by way of gifts, and where such gifts are substantial, gift tax will be levied.

Where the total value of all gifts made by a donor to one individual does not exceed $1,000, then such gifts are exempt from tax. Gifts made in contemplation of the death of the donor or gifts which do not take effect until his death, are exempt from gift tax but are included in the value of his estate for succession duties. Other exemptions are gifts to charitable organizations in Canada, gifts to Her Majesty in right of Canada or a Province or to a Canadian municipality.

Where gifts are made by a personal corporation, the amount on which the tax is levied is the total of all gifts made during the year, which are not exempt, less $4,000. If the donor is an individual the deduction is the greater of $4,000 or one-half of the difference between his taxable income and his tax for the immediately preceding year.

For example, if the difference between your tax and your taxable income for 1957 and $12,000, you would be entitled to deduct $6,000 from the total non-exempt gifts made during 1958. Where one-half of the difference between the taxable income and tax is less than $4,000, then, of course, the amount of $4,000 would be deducted.

The rate of tax applicable to gifts is 10% where the taxable value does not exceed $5,000, and increases to 28% where the taxable value of gifts exceeds $1,000,000. Where the taxable value exceeds $40,000 but does not exceed $50,000, the gift tax is 15%. Unlike income tax, the gift tax rate applies to the whole taxable value and not merely to the excess over the previous bracket. For example, if the aggregate taxable value of the gifts made during the year is $40,000, the rate is 14% and the tax is $5,600. If the aggregate taxable value is $40,001 then the rate is 15% and the tax is $6,000.15. The additional $1.00 resulted in an increased tax of $400. This is only one example of how haphazard giving without planning can be costly.

The following illustrates the computation of gift tax: Suppose that your gifts in 1957 consisted of

1. An automobile valued at	$5,000
2. A cash gift of	10,000
3. A cash gift of	15,000
4. Gifts to four persons of $1,000 each	4,000

and that your taxable income in 1956 was $26,000. Your gift tax would be calculated as shown:

Automobile	$5,000
Cash	10,000
Cash	15,000
(The gifts in item 4 are exempt)	
Total Non-exempt gifts	30,000
Taxable income, 1956	$26,000
Less: Income tax thereon	8,700
Difference	17,300
(a) One-half of difference	8,650
(b) Minimum deduction	4,000
Deduct the greater of (a) or (b)	8,650
Aggregate Taxable Value	21,350

Since this amount is over $20,000 but not over $30,000 the rate of tax is 13% and the tax is $2,775.50.

Interest

I recently borrowed $15,000 for use in my business, but had to give the lender a mortgage for $20,000 with interest at 7% per annum. May I deduct the $5,000 bonus as an expense of the year or amortize it over the period of the loan?—C. L. S., Kingston.

For income tax purposes, the bonus paid is a capital outlay and as such is neither deductible nor subject to amortization. However, interest on the face amount — $20,000, is deductible.

Residential School for Girls

ALMA COLLEGE

Founded 1876, High School including Grade XIII. Fine Art, Secretarial, Home Economics, Music.

Write for prospectus.

Mrs. Steele Sifton, B.A. B.Ed.
Principal

OPENS Sept. 10, 1958

ST. THOMAS, ONTARIO, CANADA

CANADIAN PACIFIC
RAILWAY COMPANY

DIVIDEND NOTICE

At a meeting of the Board of Directors held today a dividend of seventy-five cents per share on the Ordinary Capital Stock was declared in respect of the year 1958, payable in Canadian funds on August 1, 1958, to shareholders of record at 3.30 p.m. on June 20, 1958.

By Order of the Board.

T. F. TURNER,
Secretary.

Montreal, June 9, 1958.

ROYALITE OIL COMPANY, LIMITED

PREFERRED STOCK DIVIDEND NO. 15

NOTICE is hereby given that a Dividend of 32.8125 cents per share has been declared on all the outstanding 5¼% First Series Preferred Shares of the Company, payable July 1st, 1958, to shareholders of record at the close of business on June 17th, 1958.

By Order of the Board
"J. W. WHITAKER"
Assistant Secretary

Calgary, Alberta
May 30th, 1958

THE BELL TELEPHONE COMPANY OF CANADA

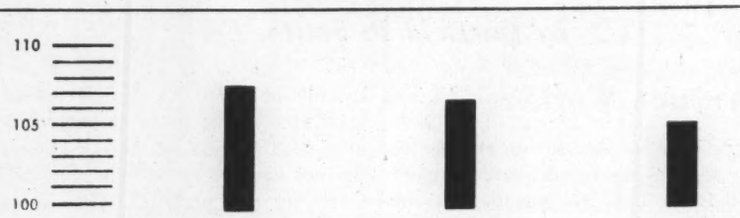
NOTICE OF 297th DIVIDEND

A quarterly dividend of fifty cents per share has been declared payable on the 15th day of July, 1958 to shareholders of record at the close of business on the 13th day of June, 1958.

Montreal, May 28, 1958.

S. C. SCADDING,
Secretary

Saturday Night Business Index for June



(Saturday Night's Business Index is a compilation of statistical factors bearing, generally, on Canada's gross national product. It is designed to reflect pace of economic activity. The base 100 is drawn from 1955 data.)

Indicator Table	Unit	Latest Month	Previous Month	Year Ago
Index of Industrial Production (Seasonally Adjusted)	1935-39 =100	275.9	279.4	290.8
Retail Trade	$ millions	1,195	1,016	1,182
Total Labor Income (Seasonally Adjusted	$ millions	1,295	1,284	1,266
Consumer Price Index	1949=100	125.1	125.2	121.1
Wholesale Price Index of Industrial Materials	1935-39 =100	227.6	227.9	242.2
Inventory, Manufacturing Industry (Held & Owned)	$ millions	4,873	4,854	4,836
New Orders, Manufacturing Industry	$ millions	1,729	1,585	1,846
Steel Ingot Production	1000 tons	364.6	401.5	439.0
Cheques Cashed, 52 Centers	$ millions	16,801	15,933	16,730
Imports for Consumption	$ millions	427.2	367.2	468.9
Exports, domestic	$ millions	370.6	368.8	372.8
Contract Awards (MacLean Building Reports)	$ millions	345.2	319.4	271.5

Latest month figures are mainly preliminary data

by Maurice Hecht

AFTER RISING for a few months—against the previous trend—the economy has levelled out again. This mainly confirms our feeling that the past period has been a bottom-bumping one.

Unemployment, of course, has eased down though the total is still over eight per cent of our work force. Total labour income has been rising fairly steadily for the past months but has not yet reached the peak posted last August. Residential construction is the big help, housing starts are more than double the rate of last year. Manufacturing has improved a bit but the primary industries still suffer.

The Consumer Price Index ground to a halt in May after jumping more than two points since December. Food is the main culprit. Prices there jumped 5.7 per cent within the year. Indications are that the CPI will settle down in the coming months. In this it will only be following the path taken by wholesale prices for some time now.

Retail sales in the first quarter were 2.8 per cent ahead of the last year quarter in dollars. This doesn't look too good when you think of the price jump over that period. Remember, however, that poor car sales are a main factor; eliminate them and all other sales show a 4.5 per cent gain. This doesn't make for any cheering but, in view of the prolonged pessimistic atmosphere, is actually a show of confidence by Canadian buyers.

One of the poor signs—and it's important—is steel production. After hitting a low last December it started to move up again. But it headed into trouble in April and early figures for May do not look good.

However, there is no such thing as total prosperity. All we can say is that many of the important indicators have turned for the better. Recovery may very well be slow but there is little doubt that we have passed the critical point.

Atlantic

CONTINUED FROM PAGE 16

hundred and fifty years was the scene of bitter struggle between French and British for political and military dominance. The historic conflict left its marks on other parts of the Atlantic Provinces too.

You can see them still in the ruins of the French fortress of Louisbourg, 25 miles from Sydney on Cape Breton Island, Nova Scotia, now perpetuated in a National Historic Park. At Fort Anne, Annapolis Royal and Port Royal, in the heart of a pastoral countryside that has changed little in 200 years, are reminders of the old Acadian culture. In the Tantramar marshlands of Nova Scotia, just a few miles from the New Brunswick border, remains some of the dikes built by the first French settlers.

Prince Edward Island records the landing of Jacques Cartier at Cape Kildare more than four centuries ago, and Newfoundland's history dates back to the year 1497, when the explorer John Cabot reached the island after a 53-day voyage from Bristol. Many of its place names are reminders of the days when French, Spanish, Portuguese and English fishermen competed for the rich fishing grounds of the new land.

In the Atlantic provinces you'll find three of Canada's scenic National Parks. New Brunswick has Fundy National Park, stretching for eight miles along the Bay of Fundy — in effect part of the Atlantic Ocean itself. From the Bay, the land rises almost imperceptibly to 1,000 feet, where it becomes forest-clad tableland. Cape Breton Highlands National Park, Nova Scotia, has perhaps the most scenic drive in Eastern Canada, the Cabot Trail, winding along the cliff tops around the northern portion of Cape Breton Island through a 70-mile array of highland scenery in the park. Prince Edward Island National Park includes Cavendish, one of the Island's best known seaside resorts, and 25 miles of fine red sand beaches along the north shore.

New Brunswick's six hundred miles of Atlantic coastline, with excellent beaches, attracts many thousands of visitors to that province each year. They invade the beach colonies of Shediac, Point du Chene, Bathurst, Campbellton and others. In the southeast part of the province is the vacation town of St. Andrews-by-the-Sea, where the sheltered waters of Passamaquoddy Bay entice many more holiday-makers to salt water bathing and sailing among the islands of the Bay.

Nature has provided Nova Scotia with a seashore of stark cliffs, sheltered bays and sandy beaches. Added to its enchanting scene are colorful events like the Apple Blossom Festival in the Annapolis Valley, and the Gaelic Mod and Highland Gathering in August at St. Ann, Cape Breton Island.

In the fields around Grand Pré, oxen with brass-tipped horns and ornamented yokes are still used to plow the boulder-strewn fields. In Grand Pré the slender-spired, ivy covered church houses the relics of early Acadia.

Nova Scotia's cities of today are in sharp contrast to the fishing villages which nestle among the countless coves along its rugged coastline. Halifax, the provincial capital, is overshadowed by its fortified citadel, now a national historic site, and the spires of some of the oldest churches in America rise above the modern city.

When Jacques Cartier saw Prince Edward Island for the first time he described it in his diary as "the fairest land that it may be possible to see." Today's travelers are sure to agree. Although the Island has changed much since that early day, it still has its distinctive features; the rich, red soil is still there and the beaches are just as inviting.

Prince Edward Island's inland beauty and its seaside vistas are an appealing combination, within a few minutes' drive of each other. Inland the setting is rich green farmlands patterned by small wooded sections and scores of small, quiet villages. Dotted along the seaside are long, uncrowded beaches where the warm waters of the Gulf of St. Lawrence wash gently sloping sand.

Travelers find reasonable accommodation in fine old homes and hotels and in the simple farmhouses throughout the Island, and surf bathing, golf, cycling, fishing, tennis and boating are readily available.

Newfoundland's coastline is fretted with countless coves and inlets, many of which provide excellent deep water harbours like that of St. John's, the province's capital. Its interior is a network of rivers and lakes set in rolling country with rocky prominences. Moose, caribou and bear range through almost untouched wilderness regions and some of the rivers provide good salmon and sea trout fishing.

Large sections of Canada's Atlantic provinces are safe retreats for hay fever sufferers. The larger part of Nova Scotia, New Brunswick and Prince Edward Island has little ragweed and, according to experts, may be recommended for those sensitive to ragweed pollens. Newfoundland has almost a complete absence of the plant.

An Atlantic vacation will take you into a different world where the gentle-paced, easy-going atmosphere is part and parcel of life. It's a relaxed, uncrowded region with a compelling charm that makes visitors return each year to sample its holiday fare.

Starr

CONTINUED FROM PAGE 15

tion of the Prime Minister — was the most sought after speaker the conservatives had. In one coast-to-coast marathon he made 35 speeches in 14 days.

He chalked up the largest majority ever recorded in Ontario Riding. Winning every polling station but one, he more than doubled the votes of his nearest rival. In a post-election speech, he said: "I am still Mike Starr to all of you. My obligation is to every individual, every group in this riding, not just those who support my political theories. I want you to bring your problems to me if you think I can help in any way."

Explanations of his overwhelming victory differ. Cliff Pilkey, president of Oshawa's United Auto Workers Union local 222 has little respect for Starr as a labor minister. "Although Starr knows virtually nothing about the labor movement in Canada, he's got a dynamic personality. It's the personality that won him the election," he says.

Dr. Claude Vipond, Liberal candidate twice defeated by Starr, says: "He never antagonizes anyone because he doesn't have a strong conviction about anything. He's so damned equal he doesn't arouse anyone. I firmly predict he won't be a member of the Cabinet in the next election."

Starr explains it this way. "I did my best to serve the people of the riding individually and collectively and I guess they recognized that fact."

On election night Starr led an estimated 200 cars in a horn-blowing motor cavalcade throughout the riding. Several times he was stopped. Idolizing supporters hauled him out of his car, hugged, slapped him on the back or hoisted him to their shoulders.

Being the only member of the Diefenbaker cabinet without a university degree or its equivalent does not bother him. He does not feel that this is a disadvantage. "As a matter of fact," says Starr, "in a way it's an advantage. It helps me to understand the average person and how he thinks." Freely admitting that he reads neither history nor literature, the labor minister spends all his spare time studying reports and other matters which directly concern his work. He believes "common sense" and an up-to-the-minute acquaintance with the labor scene are more important than formal learning.

On the way into a cabinet swearing-in ceremony he was spotted by a reporter butting a cigarette and putting it into his pocket. Why did a Cabinet Minister, earning $27,000 a year, save his butts? Starr's reply: "I was brought up to be frugal."

The cigarette was almost new and Starr couldn't see any sense in throwing it away.

He quipped "I may keep butts, but I assure you they're my own."

Most Saturday mornings he can be found in Oshawa handing out laundry and talking to people in his wife's dry cleaning establishment. If someone wishes to discuss something with him, the visitor is ushered around the counter, past the rows of pressed clothes, to a make-shift desk at the back of the store where he can pull up a Coca-Cola case and make himself at home. Starr says the people would rather talk to him there where they are relaxed. One Saturday morning 45 people stood in line outside the cleaners to have a word with him.

He estimates that his average day of delegation meetings, cabinet meetings, and studying numerous reports is 14 hours long. Nevertheless, on Friday he religiously catches the 11:40 p.m. train from Ottawa and gets to Oshawa at 7 a.m. He then just has time to clean up, have breakfast and get to the cleaners. He returns to Parliament Hill by the night train which reaches Ottawa at 8 o'clock Monday morning.

His worst problem has been the serious unemployment the country has faced this year. Time after time he has had to rise from his seat in the Commons to meet a barrage of questions fired by the big guns of the opposition parties. How bad is the unemployment? What are you doing about it? When will the situation improve? On February 11th, he is quoted "I can assure you that in my belief, this slow down is only temporary and that the measures the government has taken are already beginning to take effect."

At the end of May, though less optimistic, he still expressed confidence in Canada's economic future. "I don't think there is any doubt that our economy is basically healthy. Retail sales, car sales, and home building are all up over last year. No one can be certain when the recession will let up, because no one can read our economic barometers. Even our economic experts disagree. Naturally I would like to see things pick up tomorrow. It may be my natural impatience that makes me think things are not moving as quickly as I would like them to."

Labor Minister Starr feels certain that Canada will pull out of the recession much more quickly than the United States. "After all," he said, "we started to combat it sooner. Last July we cut immigration, in the fall we started pumping money into the housing industry, our winter employment campaign was highly successful."

All these measures did little to cure a basic problem, seasonal unemployment, which has been on the increase in Canada every year but two since 1947. "It is my personal belief" states Mr. Starr, "that this problem will not be solved until we start processing more goods in our own country and our sales to foreign countries increase."

On July 14 and 15 he is going to call a conference in Ottawa which will include representatives from labor, management, banking, commerce, the provincial governments and several other sources. "It is hoped that through a detailed study of the problem we will be able to provide specific proposals to labor, management, and the government," he says.

Meantime, while someone else minds the store, Mrs. Starr, her husband and their 19-year-old daughter are holidaying in Europe. (A son, Bob, 23, University of Toronto dentistry student, stayed home.) The touring Starrs will take in Geneva, while Father, never far from the job, addresses the International Labor Organization and makes notes for the boys in the back of the shop.

Markets

CONTINUED FROM PAGE 7

from $2,881,835 in the 1957 first quarter to $1,872,253 this year. Railroads were off 78%, airlines 56%, autos 52%, farm equipment 61.5%, steels 58.4%, mining and metals 48%. In Canada, where there are relatively fewer interim earnings statements to go by, the drop by about 40 corporations has averaged about 20%. But some individual drops have been severe. The following table shows the drop in earnings, and what has happened to the stock price from the 1958 low to May 9:

	1957 First Quarter	1958 First Quarter	Change in Stock Price $
International Nickel	1.61	.83	Up ¾
Noranda	.85	.49	Up 4¾
Hudson Bay	1.23	.49	Up 2¾
Sherritt-Gordon	.14	.08	Same
Aluminium	.50	.17	Up 1¾
Imperial Oil	.68	.48	Up 4
McColl-Frontenac	1.20	.67	Up 3
International Petroleum	.76	.48	Up 14
Consolidated Paper	.60	.50	Up 5
Great Lakes Paper	.50	.34	Up ½
Fraser	.56	.38	Up 2
St. Lawrence Corp.	.32	.19	Up 1½
Trans. Mt. Pipeline	1.95	.28	Up 13

It would almost seem as though the lower corporate earnings go, the higher investors will bid for the stock. This is certainly a remarkable condition. It is also true of most New York "blue chips". Just what can this bullish frame of mind, looking to the future, be based on? There is no doubt that the chief influence at work building up this psychology is belief in further inflation. Along with that is the financial effect of cheaper money. There is also general belief that next Fall will bring a business upturn, reversing the downswing of the recession. The bond markets, which a few months ago had a big rally on cheaper money, have settled back, with investors again turning to equities, even on a 2-3-4% yield basis, and the likelihood of many dividend cuts to come.

What is the basis for expecting a further inflation that would come home in higher prices for good stocks? The state of government finances, in Washington and Ottawa, is one. The U.S. Administration is facing a $3 billion deficit for this fiscal year, and at least $6 to $8 billion in 1958-59, beginning June 30, without any tax cuts, which are probable, seeing this is a U.S. election year. Next year's deficit, which will be aggravated by falling income from corporate and individual income taxes, could easily top $10 or $12 billion. In Ottawa, the deficit will be at least $500 million, and could easily run $700 or $800 million. Business recessions, with big unemployment, and shrinking markets for basic materials, are costly affairs, so far as Governments go, because they get into a great sweat to bring about more boom conditions.

It is a large question, in economics, as to how much lavish government spending, to "make-work", will pull the business fabric out of the mire. A few billions' extra spending by Governments is peanuts, compared with the huge, complex use of private investment to provide markets. In the post-war period new capital outlays in the US have totaled about $270 billion; in Canada, with the aid of big foreign investment, they have been around $50 billion. This year, according to official figures, US new capital investment will be about $30 billion; in Canada about $8.5 billion.

The important economic question is whether all this rapid expansion has not already over-built most major producing industries, with the result that surplus capacity — which exists right now in steel, base metals, textiles, and many other important segments of industry — will slow down, for several years, further capital

spending. Even in this year of recession, the US and Canada have retained around 85% to 90% of the accumulated expansion of the post-war boom, with an exhibition of great powers of resistance to further erosion. At least the stock market believes, at present, that the onward and upward economic trend will continue.

Probably a lot depends on whether ever-increasing costs in business can be contained, to allow normal profits. The monopoly labor unions are, right now, pricing themselves out of jobs, and if they can see the light of day, in the new conditions, there will be much encouragement to capital. It is this capital which makes jobs, and which seeks and deserves reasonable profits. A monopoly labor situation which attempts to suck the sources of capital bone-dry, by excessive and extortionate demands, is simply cutting its own throat. Perhaps one reason the stock market is so optimistic, in the face of the downturn, is that it sees an end, for the time being, to labor monopoly domination of the wage-cost-price spiral.

BC Tories

CONTINUED FROM PAGE 9

was different in origin from the movement in Alberta, which sprang originally, at least, from Alberta's tradition of agrarian radicalism.

Although the CCF provincial vote declined in the 1956 election to 28 per cent, a taste of unemployment may bring it up to the 30 per cent, or more, that it used to be. A party which can snare nearly one-third of the votes in a four-corner election contest is a party with an excellent chance of winning.

There are good reasons to doubt that Social Credit can block the Socialists from taking power. This is no longer the confident party that won 39 out of 52 seats two years ago, and 45 per cent of the vote. Those were heady days for the faithful, when Bennett's oratory painted pictures in the heavens of fluttering pennons and a mighty crusade marching on Ottawa to inaugurate the promise of Social Credit for all men of good will.

But the man whose generalship seemed superb in BC electioneering turned out to be a merely vocal but bewildered little corporal in the big battles of national politics.

Following an unsuccessful foray against the CCF in the 1956 Saskatchewan election, Bennett girded for the federal campaign. With fanfare for Social Credit's national opener, he led into Massey Hall a troupe consisting of Solon Low and Alberta's Premier E. C. Manning. It was a dismal failure. Undaunted, Bennett sent east to the Ontario hustings three groups of BC cabinet ministers to spread the new gospel.

The visions of a new national party crumbled. With 114 candidates, Social Credit could not elect one east of Alberta. Socreds did win 19 seats—for a gain of four—in their BC and Alberta strongholds, but they were edgy about the Tory upsurge on their home territory.

Make no mistake about it, the ideas and energy poured into Social Credit's crusade were Bennett's, and his alone. The money to advertise the Massey Hall meeting, the cost of sending speakers east, and the men sent, were all from BC Social Credit alone. Alberta Socreds gave only token support.

Bennett's strategy was not as idiotic as some Monday quarterbacks would describe it. Social Credit had taken the place of the Conservative party in BC, he reasoned. Why not nationally? He was not the only politician in early 1957 who speculated the Tories would elect not much better than the 40 and 50 members of two previous elections. Believing that would mean the death of the Conservative party, Bennett saw Social Credit's national opportunity as filling the vacuum left by the vanishing Conservative party.

That was the long-range strategy. It collapsed because another messiah with bigger ambitions and bigger visions was elected new leader of the Conservative party, which Bennett was too quick to consider dead and buried. The other messiah, of course, was John Diefenbaker.

Bennett faced further disappointment on the home front. The 1958 legislature opened with one Socred MLA defecting to the opposition, sitting as an independent. Mel Bryan, MLA for North Vancouver, announced his reasons as the two-year delay which Attorney-General Robert Bonner allowed to lapse before laying charges against a former cabinet minister, R. E. Sommers, now on trial for bribery and conspiracy in connection with his handling of forest management licences while in office.

Almost as bad, three more Socred MLAs walked out of the legislature rather than support their attorney-general in a confidence vote over the Sommers affair raised by the CCF. The entire session was jumpy, with government members harshly critical of their ministers.

All this was capped by the March 31 vote, when Social Credit support disappeared under the Conservative victory which rolled from the Rockies to the ocean like a mountain landslide.

To understand the trend, the BC percentage comparisons of the last three federal elections are illustrative. Conservatives in 1953 got only 14 per cent of the vote, electing three MPs. (In the 1956 provincial election the Tory vote went down to 3 per cent.)

In 1957 the Conservative BC percentage leaped to 33, with seven members elected. This year it was 49 per cent. Where did both increases come from?

Last year the gains were mainly from Liberal and CCF. Between 1953 and 1957 the Liberal slice of the BC vote dropped from 31 to 20 per cent. CCF percentages dropped from 26 to 22.

But Social Credit held fairly steady in front of the first Tory wave. Its vote dipped only from 26 to 24 per cent.

Social Credit's collapse came this year, when the "small c" conservative, or right-wing, vote plumped for John Diefenbaker's candidates. Social Credit's vote plummeted down to 9½ per cent of the BC total. The Liberal balloting slid down to 16 per cent, another four points lost.

But the CCF, significantly, bucked the tide to gain in both numbers of votes and in percentage, rising to 24.

That resiliency of the CCF was duly noted by all BC politicians. That it can attract a bigger percentage of the vote in a provincial election is conceded. Drawing almost one-third of the vote while three free-enterprise parties—Conservative Social Credit and Liberal—split the other two-thirds rather evenly, would mean Canada could have a second CCF provincial government.

The big battle in the next year will be the fight to win all the right-wing vote. It will be waged by Social Credit as a holding operation, by the Tories with the realization that if they win this battle they can win the election. But there is little use of these parties splitting that vote roughly equal between them.

If Bennett could envision Social Credit replacing the Conservative party federally, it is easier for Finlayson to plan for his Conservatives to replace Social Credit in BC. For those Tories who stood by their flag when carnage was heavy in their ranks, jeered by deserters who had donned the Social Credit green and white, there will be grim glee as they see those ex-riding tumbrils instead of bandwagons.

Amid these peerings into the future, few would concede the BC Liberals any chance to win power in the next election. That party is now enduring its Gethsemane with bewildered impatience which a provincial convention called for this autumn is unlikely to terminate. Provincial leader Arthur Laing is admired by his followers for his courage and ability, yet they have little confidence that he can lead them to victory. Just as bad, they have nobody they think can replace him.

For a short time after March 31 some Liberals hoped to persuade ex-Fisheries Minister James Sinclair — defeated in Coast-Capilano — to take over the B.C. leadership. Sinclair prefers to retire from all politics and go into private business.

For a betting man, the best wagers are that Social Credit's days in Victoria are numbered, and the main contestants are the rejuvenated Conservatives and the CCF.

Leadership

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they have done, for example, in the Bandung community. Another route was to discover fresh sources of inspiration upon which to rely and in the Afro-Asian world there were three opportunities now offering a new repository of strength to which the raw states could turn: There was Communist China, distant, huge, "efficient", whose full potential for good or evil was not fully known or understood. There was India, democratic, torn between conflicts about socialism on the one hand and ethnic and lingual and religious divisions on the other. And there was the Commonwealth, giving birth to new states such as Ghana, the West Indies today, Nigeria tomorrow, perhaps East Africa the day after. While pervading all of these possible choices available to the Afro-Asians was their great need for economic and technical help to ease the burdens of living and to give them a chance to approach, however slowly, the living standards of western society.

Somehow our leadership since 1955 seems to have failed in the moral force of its presence and the significance of its message. It is no use attributing this failure to any one man, say Eisenhower. This is a game that is played all too readily without a sufficient regard for cause or consequences. The truth is that Eisenhower never pretended to be a person whose strength lay in the taking of great initiatives. It must always be remembered that he came to office in 1952 with the hope that he might restore an easier climate to political debate in the United States. The acrimonious and divisive discourses that marked the attacks on Acheson and even on Truman himself by the Republicans, the cold war fears that spawned the political monstrosities symbolized by Macarthy — these and other fetid pools of disharmony in American society were supposed to find their purification in the chaste, heroic figure of Dwight Eisenhower. While abroad his remembered role in World War II and his position as NATO's first commander were to give him influence in Europe almost equivalent to his authority at home.

Everyone knows the story of the last few years and the extent to which the leadership of the United States met the greatly varying challenges posed by the Soviets on one level and the needs of the Afro-Asian and Latin-American world on the other. The plain truth is that the President is a far abler man than his detractors give him credit for, but that illness and temperament have combined to prevent him from making those kinds of decision and giving that impression of conceptual vitality so necessary to make the non-Communist world feel confident and secure.

It is not only a question of the Sputniks, depressing though the Soviet achievement may have been in the shortrun, and exhilarating and stimulating though their effect may have become today and in the longrun. It is not only that somehow despite generous foreign aid program, Americans are unpopular in Iceland, that Nixon is spat on in Venezuela, that the United States Government offices are sacked in Beirut—it is all of these and more than these. It is the feeling that in the realm of ideas about the kind of life and institutions and guidance we have to offer, we, and the Washington that speaks often on our behalf, seem not to raise the spirit and provide a vision that makes life tolerable while the great transformations take place. Of course, there is an element of naiveté in suggesting that there could be a "vision", whether it be social democracy on one level, religious revival on another, global if primitive world government through the United Nations on the third, or finally, some regional integration in Asia, in Latin America or in the Middle East for economic and political purposes.

It may be impossible to fashion that vision considering the vast variety of specific political, social and economic concerns that it is supposed to deal with, and at least throw light on if not resolve. Islam or Christianity were able to have a general theory of existence that made meaningful economic, political and personal behaviour at a certain stage in the authority of these great religions. But who is going to play God and formulate a vision and a concept that makes sense out of a population explosion taking place everywhere; a vision that intrigues the Soviets enough to have them re-examine their conspiratorial view of man and government, that provides a key to the art of government for millions of people only now emerging from "colonialism" and often the stone age. What "vision" can achieve this hugely complicated task on so many levels of human and social experience?

The failure of leadership and the failure of concepts may be with us, but the real question is how much of this failure is in the nature of things. To this one must reply at first that some men *have* given us a vision at great moments of crisis when problems seemed almost equally difficult. Think of Woodrow Wilson who as a great moral force and political visionary was able to make sense out of the international social complex that emerged from developing victory in World War I. Think of Roosevelt in the 'thirties, struggling for economic recovery with crude pre-Keynesian instruments but nevertheless able through a personality and a vocabulary to give people hope and inspiration and encourage in them the patience to wait for a better day.

Yet by comparison with what we face today the challenges to Roosevelt and to Wilson were modest in their scope and in their ultimate significance in history. The closest approximation to "leadership" and a "concept" under conditions of the gravest threat to our civilization was perhaps Winston Churchill in 1940-41, before the United States joined the grand alliance. For Hitler was bent upon destroying the value structures of western society as part of German political and military supremacy, and to Churchill's everlasting credit he understood the spiritual challenge as much as the military one and mobilized the resources of the heart as well as these of the depot.

To where does this anaylsis lead? It suggests that we must take some comfort from the fact that our problems today are so very great and complex that they probably transcend the range of those normal areas of social experience where usually there can be an effective impact by normal leadership and with existing concepts. Communism versus free societies; nuclear testing and production of weapons; the population explosion; the slowness with which the underdeveloped countries move towards reasonable living standards as compared with the more highly favoured areas of the West; the now almost neurotic nationalism of the new states born out of old empires; the fears and irritations of color as white and non-white meet in forums that only a generation ago were reserved almost for white alone; these are the questions that challenge men and leaders. The apparent failure, so far, of leadership and concepts is perhaps but an index of the magnitude of our dilemmas.

Dope

CONTINUED FROM PAGE 11

ern Canada, either directly through Halifax, Montreal or Toronto or is passed through Cuba and the United States. The traffic goes from east to west. There is little or no smuggling through the port of Vancouver.

In Eastern Canada the internal organization takes over. The courier is paid his fee and departs. The Canadian mastermind arranges for his middlemen to dilute the white powder. Usually they use milk sugar (lactoses).

This begins a process of cheating and double-dealing which ensures that the addict gets weak, impure heroin for his hard-stolen dollars. The impurities may kill him, but then so may the heroin. In neither case will the mastermind worry. He is not interested in greatly increasing the size of his market as long as it is a steady one. Nor does he want to flood the country with heroin and reduce the price.

The underworlds of Toronto and Montreal, with about 500-600 addicts each, provide markets for some heroin. But Vancouver, with its snivelling colony of more

than 2,000 lost souls, is the main centre. By car, train or plane, couriers transport the weakened white powder over to the West Coast. These couriers are reliable criminals. The organization cannot take a chance on using amateurs who may contact the RCMP. So they risk using "known" men, relying on a variety of ingenious ways to conceal the powder. These couriers can make $2,000-$3,000 a trip.

In Vancouver, local distributors take over. They send the powder to "capping factories," often in comfortable suburban homes. Here it is further diluted and placed in small plastic capsules.

The distributor's "back end man" collects packets of capsules and hides them in strategic places—at the base of hydro poles, in washrooms, phone booths, under paving stones.

He lists the locations and passes the list to the distributor, who calls in the "front end man". Armed with the list, the "front end man" sallies forth to contact the "pushers".

The pusher is an addict himself. Unable to raise the money for his own drugs by petty crime he risks selling a few capsules to fellow addicts to make money. He risks a 14-year sentence (average sentences for trafficking in Vancouver: 10 years).

The pusher sells his capsules for three to five dollars each making about a dollar on each. The big profits go to the high-ups in the organization.

These are enormous. For a pound of heroin, bought in Europe for a few hundred dollars, may yield up to 50,000 capsules, selling for up to $200,000.

The Canadian mastermind is probably a millionaire. He could be a big businessman —he could be anybody. "He probably just puts money into the organization without ever seeing drugs," Vancouver's deputy police chief Gordon Ambrose told me.

Addicts and pushers are rounded up weekly by the police. Undercover RCMP officers work for months posing as addicts and trying to penetrate beyond the lower levels of the organization.

But the dope bosses are seldom in any danger. Their system is as security-conscious as a well-run espionage agency. They stay far from the sordid mess they create.

There is violence associated with drugs but it does not come from the addicts. The picture of the "hopped-up junky" with shaky trigger-finger and a drugged desire to kill is familiar to the paper-back market but seldom true. Old-style cocaine addicts were capable of violence, so, occasionally, are marijuana smokers, but the opiate drug victim is placid, almost completely sexless, and generally pitiable.

Dr. George Stevenson's three-year study of 300 addicts in B.C.'s Oakalla prison, reported: "They impressed (us) as children —restless, cruel, selfish, ungrateful, parasitical, resenting discipline and showing a lack of concern about the future. They showed a low tolerance of frustration, low morals and a desire to live for the present."

The Stevenson report revealed that most of the addicts studied had been in trouble with the police before becoming addicted. Generally, they started as juvenile delinquents, were drinking steadily at 16 and took their first "fix" at about 18. A 19-year-old convicted trafficker said he became an addict in Vancouver at 15.

Stevenson's study and much of the evidence given before the 1955 Senate special committee on narcotics indicated Canada's addicts were in the underworld before they took dope. A New York study, however, indicated that city's addicts were driven to crime by dope.

Certainly dope and petty crime go together and the cost of addiction in goods stolen is enormous. Vancouver police estimate $10 million worth is stolen each year to buy drugs. Male addicts get their drug money—upwards of $20 a day, by theft or pimping; women addicts are nearly all prostitutes. Addicts I talked with considered it axiomatic that "you can't support a heroin habit by working." Some had tried, but found no ordinary job well enough paid.

A woman addict explained: "If I made $4 I spent it on drugs and if I had $100 I spent it on drugs. Whatever money I had I spent on drugs."

Vancouver police estimate 90 per cent of the city's prostitutes are addicts. A logger whose wife became one told a pathetic story:

On his wedding night he found his bride was an addict. He determined to help her break her habit. Soon her appetite for drugs cost him his savings. He had no more money, so she went on the streets to earn drug money. He forgave her.

Once he tried locking her up away from drugs. She screamed horribly until he couldn't stand it any more. Then she went to jail. And the logger appealed for some law that would keep her under protection until she could be cured. "She could be a good wife," he said. "She was sort of kind."

Addicts breed more addicts. Misery likes company and the addict likes to introduce new members to his circle. It gives him companionship and perhaps the clubman's sense of belonging. A Vancouver alderman compared addicts to smallpox carriers—"Only," he added, "they **want** to spread their disease."

Teenagers are introduced to the habit through "skin pops" (injections under the skin). The first usually makes them vomit. If they persevere, they will become completely "hooked" (addicted) in a month or six weeks of weekend experimentation. Of course, no drug user wants to become hooked. Many will swear they can stop taking heroin whenever they please.

The big disillusionment comes when they are arrested and forced to do so, as most of them are at some time or other.

A speck of heroin in a suspect's possession brings an automatic six months' jail, starting with the agonies of drug withdrawal.

When the drugs stop coming, the addict enters a special hell of his own. He vomits, sweats, shakes and screams as his numbed system wakes to aching life. A few addicts have died during withdrawal, more have tried to commit suicide.

"I've watched them", said a prison governor. "and I think I'd prefer to witness an execution."

"Cold turkey" withdrawal—so-called because the addict's skin takes on that appearance—is still used in some Canadian jails. But most provide some form of treatment during the first week of acute withdrawal symptoms. Tranquilizer drugs and barbiturates help, but withdrawal remains a painful business.

After a few weeks, addicts face up to prison life fairly well. As release day approaches they become edgy and nervous. The shock of going out into a world uncushioned by dope is too much for most of them.

So when the day comes, 90 per cent of them head straight out to find the nearest pusher. Often their friends meet them at the prison gates with a "fix".

The whole sordid cycle of stealing, peddling, followed by arrest and withdrawal torture, begins again.

Is there any end to it? Apparently not, under present methods of dealing with the problem in Canada.

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Editorials

Tax Troubles

CANADA'S TAX system badly needs revision, not so much to reduce the level of taxation as to rid it of inequities and establish a more sensible distribution.

One of the persistent fiscal weaknesses of this country is the division of financial responsibility between the three levels of government, municipal, provincial and federal. When they were in opposition at Ottawa, the Conservatives kept referring to this weakness and advocated a Dominion-provincial conference to seek a remedy. It was an excellent proposal. But now that they are in office, the Conservatives seem just as willing to dodge the issue as did their predecessors in office.

Mr. Diefenbaker apparently has agreed to a conference with municipal representatives in September. This was announced by Lloyd Jackson, mayor of Hamilton and president of the Canadian Federation of Mayors and Municipalities. It is difficult to see what can be accomplished at this meeting, unless it is to be considered as a preliminary to a full-scale conference of representatives of all three levels of government.

The municipalities are the creatures of the provinces. They get some indirect help from the Federal Government, through the tax-sharing arrangement, but constitutionally it seems impossible for Ottawa to give them any direct relief. And not only is the constitution in the way; direct negotiations between Federal and municipal authorities on such a matter as finances would make a complete mess of Dominion-provincial arrangements.

If the September meeting is to be an exploratory one, that is all to the good. The more the Prime Minister and his colleagues know about the troubles of the municipalities the better. But there can be no solution to the three-government fiscal dilemma without a full-scale three-government conference—not a hasty one able to ease the symptoms but a properly prepared one designed to attack the disease itself.

Sand Trap Problems

FOREIGN dignitaries who visit President Eisenhower barely have time to change their socks before they are rushed out to a golf course. It does not seem to matter whether the visitor likes to play golf or not—and there must be at least one president or premier or minister of state who thinks serious matters can be discussed more profitably at some other time and place than between whacks at a little white ball on a pasture.

Prime Minister Macmillan of the United Kingdom was the latest to get the golf treatment, but it seems that Mr. Macmillan is a golfer himself. Indeed, one unreconciled Scotsman was heard to observe that Mr. M. was a better golfer than Mr. E.—a cunning Scottish device to give the Prime Minister a psychological edge, no doubt.

Admirers of Mr. Eisenhower have been suggesting that such problems as the nuclear bomb and control of outer space could be more easily thrashed out around the fourth green than the formal conference table. One U.S. editorialist enthused: "Under a summer sun, with the fresh smell of grass, an occasional shot that goes straight for the pin, and the warm camaraderie of trying to blast out of a sand trap together, world problems just might dwindle in size somewhat."

Perhaps—but we doubt it. If there is any place in which there is less warm camaraderie than a sand trap, we do not wish to hear about it. Grass has been known to grow an inch in a split second, just to deflect a putt. The golfer is no great grass lover; he spends a good deal of his time trying to beat it with a club.

We do not know if Mr. Krushchev is a golfer, but we do know this: if Mr. E. started to talk of disarmament to Mr. K. just after the latter got into the rough, World War III would be just a No. 7 iron away.

Search In Ottawa

WHEN PRESIDENT Eisenhower visits Ottawa in July, extraordinary security measures will probably be taken to ensure his safety. That is understandable. American presidents are closely guarded by secret service men and policemen even in the United States, and the precautions are redoubled when they go abroad. Still, it is important that the people of Ottawa and other Canadians visiting the city not be made to suffer indignity as a result of the security measures.

Some official reassurance on this matter is needed, particularly after the publication of a very disturbing tale in *The Printed Word*, a periodical published by the public relations firm of Johnston, Everson and Charlesworth Limited. The story is this:

"When President Truman visited Ottawa at the end of the war, his guards searched, without warrant, every house along the line of march, including clothes closets, attics and cellars." His "guards", presumably, were Americans.

If the tale is false, it should be scuttled immediately. If it is true, there must be the strongest assurance that the Truman procedure will not be repeated for Eisenhower.

Mr. Eisenhower is making a friendly visit, and we welcome him. But no visit, however important, is worth the destruction of the rights of free men. Search without warrant is the label of a police state.

Block That Poll

IF ARNOLD Peters had his way, pre-election straw votes and polls of public opinion would be restricted to those intended for private use only. He would do this by amending the Canada Elections Act to make it illegal to publish the results of such polls before an election. Mr. Peters is a CCF member of Parliament, representing the Northern Ontario riding of Temiskaming.

It seems that Mr. Peters was annoyed by polls that indicated that the CCF would not garner many seats in the recent Federal election. People looking at the reported swing of public opinion would reason that there was not much point to the casting of a vote in a losing cause—or at least, that appears to be the theory. Therefore, ban the polls and guard the voters against all evil influences that might influence them.

It's not hard to see where such reasoning can lead.

If it is bad for weak-minded citizens to be influenced by surveys that purport to show what most of them think about political parties before an election, it is obviously just as bad for newspapers to report the talk and attendance at political meetings, because some people will be influenced by such reports; gossip on street corners about the election is bad, because it may develop bandwagon thinking; indeed, thinking about an election is bad because it can produce such wholesale vote switching as occurred last March.

Come, come, Mr. Peters. You really don't want to restrict our freedom of thought and expression, do you?

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